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RECOMMENDED FISCAL YEAR 1985 DEFENSE FUNDING REDUCTIONS

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

MAY 3, 1984

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RECOMMENDED FISCAL YEAR 1985 DEFENSE FUNDING REDUCTIONS

THURSDAY, MAY 3, 1984

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10 a.m., in room SD-106, Dirksen Senate Office Building, Senator John Tower (chairman), presiding.

Present: Senators Tower, Goldwater, Warner, Humphrey, Cohen, Jepsen, Quayle, Nunn, Stennis, Exon, Levin, and Bingaman.

Staff present: James F. McGovern, staff director and chief counsel; Arnold L. Punaro, staff director for the minority; Alan R. Yuspeh, general counsel; Jeffrey H. Smith, minority counsel; Christine C. Dauth, chief clerk; Patrick A. Tucker, counsel; Gerald D. Strickler, printing and documents clerk; Douglas R. Graham, research assistant; L. Wayne Arny III, Robert F. Bott, Michael B. Donley, Richard D. Finn, Jr., William E. Hoehn, Jr., George K. Johnson, Jr., James R. Locher III, David S. Lyles, Mark B. Robinson, Carl M. Smith, John G. Campbell, John J. Hamre, professional staff members; Marie Chaillet and Lisa M. Tietge, staff assistants.

Also present: Gerald J. Smith, assistant to Senator Goldwater; Les Brownlee, assistant to Senator Warner; Ronald P. Kelly, assistant to Senator Humphrey; James H. Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Bernard R. Toon, assistant to Senator Quayle; John Roddy, assistant to Senator East; Mark J. Albrecht, assistant to Senator Wilson; Francis J. Sullivan, and Mary A. Shields, assistants to Senator Stennis; Jeffrey B. Subko, assistant to Senator Exon; Peter D. Lennon, assistant to Senator Levin; Gregory P. Craig, and James Steinberg, assistants to Senator Kennedy; Edward McGaffigan, Jr., assistant to Senator Bingaman; and Charles C. Smith, Jr., assistant to Senator Dixon.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

The committee meets this morning to receive testimony from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff concerning proposed revisions to the fiscal year 1985 defense budget request.

With this hearing, congressional consideration of next year's defense budget will enter a new phase, a phase which will place a substantial burden on the Congress. We have been lead here by a series of events both unique and at the same time commonplace in our legislative history.

The so-called budget negotiations which took place through February and March are unique because they culminated in a formal agreement between the President and the Senate leadership.

The Secretary's presence here today, and its underlying purpose, is evidence enough of the President's commitment to that agreement.

Nevertheless, I received a letter from the President just this morning, which I will place in the record, that further reiterates the scope and sincerity of his efforts to follow through with his end of the agreement.

[The letter from the President follows:]

[Letter to Senate and House leadership with copies furnished to relevant committee chairman.]

THE WHITE HOUSE,
Washington, May 2, 1984.

Hon. HOWARD H. BAKER, Jr.,
Majority Leader, U.S. Senate, Washington, DC.

DEAR HOWARD: In my State of the Union address, I proposed a bipartisan negotiation to develop a down payment on the Federal deficit. As you know, since that time in order to begin the process I reached an agreement with the Republican leadership on a balanced deficit reduction package. Our objective was to reach agreement on a package that could be passed by the Senate and that would be supported by the bipartisan group representing both Houses of Congress.

The agreement was based on a plan to make changes to domestic spending programs, revenues and Defense as shown below. The enactment of proposals in these areas would provide three year total savings of $150 billion, a substantial down payment on the deficit.

DEFICIT DOWN PAYMENT AGREEMENT—OUTLAY SAVINGS

[Dollars in billions]

	1985	1986	1987	Total 1985–87
Components [1]:				
Non-defense savings	$8.9	$13.8	$20.4	$43.2
Tax loophole package	9.2	17.5	21.3	48.0
Defense reductions	6.0	16.0	18.2	40.2
Debt service	1.4	5.4	11.2	18.1
Total	25.5	52.8	71.2	149.5

[1] Totals may not add due to rounding.

For domestic programs, we agreed to save $43 billion over the next three years. These savings can be achieved in part by supporting the Senate Finance Committee's entitlement reforms, certain Grace Commission savings, a farm program target price freeze, and a freeze and cap on nondefense discretionary programs.

We also agreed to close certain tax loopholes to raise revenues by $48 billion over 3 years. There would be no increase in tax rates. The changes in tax law would close certain loopholes of questionable fairness.

Finally for defense, we agreed to budget authority reductions over the next three years of $56.8 billion and outlay savings of $40.2 billion. These reductions will slow our defense build-up, it will add to our costs but these are the inescapable costs of such a reduction. These reductions are in addition to those already made in defense before submitting our original fiscal year 1985 budget request.

More specifically, for fiscal year 1985, we are reducing our February 1984 request by the following amounts for the National Defense Function:

NATIONAL DEFENSE FUNCTION

[Dollars in billions]

	1984		1985	
	Budget authority	Outlays	Budget authority	Outlays
President's February request:				
National defense (050)	$265.3	$237.5	$313.4	$272.0
DOD military (051)	258.2	231.0	305.0	264.4
Revisions:				
DOD military (051)		−2.0	−13.9	−5.8
Slower spendout		(−2.0)		(−1.4)
Program changes			(−13.9)	(−4.4)
Other national defense			−0.5	−0.2
Total national defense (050)		−2.0	−14.4	−6.0
Revised request:				
National defense (050)	265.3	235.5	299.0	266.0
Military DOD (051)	258.2	229.0	291.1	258.6

I am transmitting with this letter detailed recommendations on reductions to Department of Defense and to other National Defense programs to reach the revised budget authority and outlay levels. All should understand that these reductions will add to future costs and will delay somewhat the achievement of needed improvements. As previously mentioned, the reductions that I am now proposing are in addition to those that were already made before the budget was submitted to Congress. I strongly believe, however, that any further reductions would be counter to our national security interests and could not be accepted.

Further, these reductions are only agreed to by me on the expressed condition that the other two parts of the compromise package be enacted.

No revised estimates for outlays were presented for the Defense Department at the time of the April budget update since the entire Defense program was being revised. However, actual results for defense expenditures through two-quarters of fiscal year 1984 shows a slightly slower spending pattern than projected in February. As a consequence, the 1984 outlays are estimated to be $2.0 billion less than projected in February, and 1985 outlays are estimated to be $1.4 billion less as illustrated in the preceding table.

I urge your support for this balanced deficit reduction package and your help in securing its prompt implementation by the Congress.

Sincerely,

RONALD REAGAN.

Chairman TOWER. The unique message being coveyed here today is this: In contrast to a political environment cluttered with proposals for massive defense reductions, whose authors have no idea of what the real impact of their proposals may be, and who are unfamiliar with the process which determines where reductions should be made; in contrast to this, a President can make a commitment and deliver on it.

I should also note that, in following through on the President's commitment, the role of the Secretary of Defense has been key.

In my view, Secretary Weinberger and his advisers have followed through on the President's decision with unquestioned loyalty, while remaining true to their professional responsibilities.

This budget reduction exercise has been difficult and painful, and we owe the country more than a casual consideration of their efforts.

The uniqueness of receiving testimony from the Secretary of Defense concerning defense reductions reviewed by the Department itself, is, however, overshadowed by the realization that we are once again walking down the pathetic path, the path taken by other legislative bodies in other times to achieve short-term economic and political gratification at the expense of their Nation's standing in the world.

I find it disturbing that history may ultimately record that in response to a fundamental and adverse shift in the post-war military balance, and in response to calculated and ongoing Soviet violations of arms control agreements—that even after a conflict of strategic dimensions was launched in our own hemisphere, we hesitated, we faltered, we could not even recognize our own best interests.

If there is any theme to be attached to recent congressional action on defense, it is the persistent and largely successful attempt of Congress to choke off the rebuilding of our defense capability that has been long overdue.

It is a legacy which does us no honor, and will not earn us the endearment of future generations.

Before I turn to Senator Nunn for any comments he would like to make, I should finally note that the committee today will also consider the nomination of General Vessey to serve for another 2-year term as Chairman of the Joint Chiefs of Staff.

I would suggest that if members of the committee have any questions which they wish to ask of General Vessey that pertain to his confirmation, those questions be asked during a second round of questioning.

It is my intention that we vote on General Vessey's nomination at the end of this hearing.

I yield now to the distinguished ranking Member, Senator Nunn.

Senator NUNN. Thank you very much, Mr. Chairman.

On that latter point I join you in hoping we can expedite General Vessey's confirmation. I think all Members should have an opportunity to ask questions, but I hope we can do this after the hearing. I foresee no lengthly session on that.

We are all proud of General Vessey and the very important role he has played and will continue to play in our Nation's security. So, we will look forward to complete cooperation on that point.

I welcome you, Mr. Secretary, this morning as well as General Vessey. I want to commend you for coming forward with your own list of priorities. I know there are places you would rather be this morning than coming up before the Senate with $14 billion in reductions, but I think this is an essential part of an orderly process.

I think without this presentation, whatever choices we make in defense would not have the degree of thought or rationale that is absolutely essential if we are going to spend the money that we have available in a wise fashion for our national security.

Back in February I raised several questions about the overall funding of defense and what we have done with that funding over the last 4 or 5 years. From fiscal year 1980 through fiscal year 1984 the DOD budget authority has increased by $116 billion for real growth in budget authority of approximately 40 percent during that 4-year period.

There is no doubt in my mind, and I agree with General Vessey when he stated several weeks ago and I quote him: "We have a more capable and more ready force than we did 3 years ago."

I don't have any quarrel with that statement. I think that is correct.

The real question I think we are all going to start answering on both sides of the aisle and both branches of Government is whether the overall improvement in capability and readiness have been commensurate with the significant increases in funding.

For example, there has been little significant change in the size of our force structure over the last 3 years. By that I mean the number of Army divisions, Air Force wings and Navy ships.

There has been some increase in the Navy, but in other areas we have not had significant changes in what we call force structure.

Increased funding for munitions and spare parts has improved the sustainability of our forces in the last 3 years, but in many areas we are still less than halfway toward achieving our near-term sustainability objective.

Dr. Larry Korb, the Assistant Secretary for Manpower, said earlier this year and I quote him: "The forces assigned to our Unified Commanders are not as sustainable as they should be and will not be for the foreseeable future."

That was before the recent round of budget cuts which we will hear about this morning.

Dr. Korb went on to say he was "not satisifed that the ideal balance has been reached" between weapons production on the one hand and ammunition and secondary items, war reserves essential to sustainability on the other hand.

I agree with Dr. Korb's assessment in this regard. The question whether our forces are more ready than they were in 1980 has got a lot of attention in recent weeks. There is no doubt in my mind our forces today have reduced the deficiencies in readiness from a few years ago.

With this overall improvement the readiness of all the Services is a very mixed bag. Some readiness measures have shown steady improvement in the last 3 years. Others show little or no improvement and some indicate an actual decline in spite of more money going into virtually all categories in varying degrees.

In summary, Mr. Chairman, the jury is still out on the question of whether the overall improvement in our military capability has been commensurate with the increased funding and whether that funding has been applied in a balanced way to improve all areas of our military capability or to have a rational prioritization based on a meaningful and understandable strategy.

To me those are the questions and not the question of whether we have improved or not improved in the last 3 years.

Mr. Chairman, another question which continues to concern me and I think this is going to be very much a part of the markup that we will undergo in the next couple of weeks is the question of relative priorities within the defense budget.

If present trends continue, we are going to continue procurement of strategic nuclear systems in large numbers and inevitably as the budget declines, that will be at the expense of our conventional capability.

I am afraid that we may not strike the right balance between procurement of new weapon systems and funding for readiness and sustainability of our forces today.

Just a couple of examples. The area of largest growth in the defense budget has been for our strategic nuclear forces. From fiscal years 1981 through 1984 the portion of the defense budget allocated to strategic nuclear forces has experienced an average annual real growth, that is growth above the rate of inflation, of 27 percent.

That is compared to 8.5 percent for general purpose forces and 9 percent for the defense budget as a whole. So, there is no doubt that the top priority has been in the strategic nuclear area, it continues to be, and that is, of course, a serious question as to priorities, as I see it.

I should point out that this 27-percent figure does not take into account the 15.5-percent average annual real growth in the Department of Energy nuclear weapons budget or the substantial amounts of money in research and development for weapons like the B-1 and the MX and the strategic defense initiatives, nor does it include theater nuclear forces.

When you add all of those up, the amount we are putting into nuclear forces today is very, very large indeed and it causes you to wonder if we indeed are going back in terms of a position that is too heavily relying on nuclear forces in an age when conventional forces are coming more and more into play.

This is a profound question that I think deserves great attention by this committee and other committees and interested people in the security area.

In procurement alone the average annual real growth for procurement of strategic forces through fiscal year 1981 through 1984 has been 65 percent, almost four times the average annual real growth of 17 percent in defense procurement as a whole, and over eight times the annual real growth of 8 percent for procurement of general purpose forces.

In fiscal year 1981 procurement for strategic forces accounted for 10 percent of the procurement budget. In fiscal year 1984 strategic forces accounted for an almost 19-percent increase in a 3-year period.

Many of us are concerned that spending for some of the current strategic forces, especially as the budget is reduced, is coming right out of conventional improvement, readiness, sustainability and also I might add highly classified advanced technology program which we will have to discuss at length in committee.

The recent efforts by the Air Force to cancel the cutback on some of these programs reinforces my great concern in this area. I will have closed session questions in that respect.

Finally, regarding the relative allocation between procurement on operating cost average real growth in procurement as a whole between 1981 and 1984 has been 17 percent compared to 6 percent for operations and maintenance.

Mr. Chairman, I won't pursue all these questions. I will ask that the remainder of my statement go in the record.

Before closing, Mr, Chairman, I want to commend you and the majority staff for pursuing, I think very diligently, the hearing we are having here today, for very forcefully making known to the executive branch that these hearings are an essential prerequisite to a rational and a logical debate in this committee and on the floor of the Senate as to budget priorities and as to appropriate budget levels.

Also, while I am congratulating you, Mr. Chairman, want to commend you and the majority staff, Jim McGovern and Jim Locher and others for taking the lead on a very, very important subject and that is the whole structuring of our Joint Chiefs, Department of Defense reorganization.

We have at least a rough staff product which will require a considerable amount of study on our part. They have worked long and hard to come up with this rather comprehensive digest that reflects the hearings that we have had over the last year and a half on an enormously important subject.

So, I pledge my continued cooperation for that important project and I congratulate you and your staff for your hard work in this area.

Thank you, Mr. Chairman.

Chairman Tower. Thank you, Senator Nunn, for your generous remarks.

I don't want us to preempt our witnesses this morning. I will simply note that I think all of us are concerned about the balance between allocating adequate resources for conventional and strategic purposes.

I will simply note that we are undergoing strategic modernization at this point. It is expected that percentage would increase. The last time we went through a comparable period of modernization, the strategic expenditures were 20 percent of our military budget during the Kennedy administration.

Even at peak, and I think fiscal year 1985 will be the peak year for our modernization expenditures on strategic systems, it will still fall below 15 percent. So, perhaps it is not inordinate, given that circumstance.

Senator Nunn. Mr. Chairman, only one very mild brief rebuttal.

That was during a period of time when we continued to have a very substantial nuclear advantage in the theater and at a strategic level.

Even though we were modernizing, it was felt very strongly then that we could credibly deter conventional aggression with nuclear threats, threats of escalating the nuclear weapons. I think most people realize the kind of credibility we had then has either completely eroded or is fast eroding.

So, I think we are in an era when we have to be able to deter conventional attack with conventional capability.

Chairman Tower. Senator, this is an interesting debate that you and I could continue at great length, but I think everybody is here today to listen to the Secretary.

Senator Nunn. I agree with that.

Chairman Tower. And the Chairman of the Joint Chiefs. So I will resist temptation to respond further. I guess I started this, so I am not going to point a finger at anyone.

Now that you have been edified by our little discussion, Mr. Secretary, would you like to proceed to make your presentation to us at this point and then we will hear from General Vessey.

STATEMENT OF HON. CASPAR W. WEINBERGER, THE SECRETARY OF DEFENSE

Secretary WEINBERGER. I appreciate very much the opportunity to be before you today and while I have thought the hearing was to be entirely on the suggested reductions, I have a couple of comments, if I might be allowed to present them at this time.

The first is that I did not hear a single thing in the statement of the Chairman with which I would disagree or argue.

The second is that with respect to the proper balance between nuclear and strategic and conventional forces, it is not really enough, Mr. Chairman, to cite the rates of increase of those nuclear strategic forces.

That simply is an index of the degree of neglect that we suffered for a very long period and which now requires us to modernize all three parts of the triad at once. The important figure is what percent of the total budget is involved.

You correctly pointed out that several years ago it ran 20 and 25 percent. At no time will the strategic improvement program and modernization program that we are forced to do by reason of our neglect and the Soviet increases, at no time will that program exceed 14 percent of the total defense budget even if the full amounts that the President has requested over the 5-year period are enacted.

So, when you talk about increases in strategic strength or strategic expenditures, you have to look at the very low base that is involved and you have to look at the total.

The only relevant figure really is what total percentage of the budget it is because that is the figure which tells you whether you are neglecting conventional forces.

If you are only using 13 or 14 percent of your budget for strategic, it is quite clear you are not neglecting your conventional forces, nor should we. We have to do a great deal of strengthening of conventional forces, too. That is what makes this morning's exercise difficult because the original amounts requested were amounts necessary to take care of the problems that Senator Nunn mentioned.

With respect to various reports coming in about advanced technology and activities of the Air Force, I would say two things only to Senator Nunn.

The first is that you have nothing to worry about.

The second is that it would be far more useful if attention were paid to what the leadership and policy directives of the Air Force say rather than unverified sources and reports that float around our building and this building and, indeed, the entire town.

I repeat, you have nothing to worry about and we will go into that in full detail in whatever closed hearing you would like to have.

Now, Mr. Chairman, I do have a full statement which I would like to have put in the record. I am going to summarize it with, your permission, and then try to respond to your questions.

As you know, General Vessey and I appeared before you in February. We reviewed for the committee the threats to our security and the programs we recommended to respond to those threats. Essentially the summary of it was to continue the effort that has been jointly undertaken by the Congress and the administration over the past 4 years to rebuild our defenses after a decade of neglect.

I described the significant improvements that we had made at that time in our defense posture and our modernization and sustainability and in our readiness and at all times we called attention to the fact that we had not completed the task and that was the reason why we had to ask for such a large budget in 1985. We would also need a large one in 1986. After these 2 years had been granted, we would be able to make substantial reductions in the rate of increase and hold reasonably firm from there on for the rest of the decade.

Of course, the 1984 budget did not come in at the figure we thought was essential and we have now had, as you have said, a number of discussions and negotiations with respect to the 1985 proposal.

Our original budget would have permitted us most quickly to regain our strength. It would have permitted us to continue the procurement programs at economic rates to improve the sustainability which Senator Nunn referred to, and to attract and fairly compensate the high quality men and women we need in the military service.

We did indicate very clearly that we could anticipate much smaller rates of increase in subsequent years if we could have the full amount enacted.

As you pointed out, Mr. Chairman, there were a lot of discussions and negotiations between the administration and the congressional leadership, particularly Senator Quayle, in February and March.

It was agreed, because it was borne in on the President many times, that the votes were not there to sustain his original budget proposal, that the deficits needed to be reduced and that changes in all components of the budget, revenues, defense spending and nondefense, were necessary. This was to be pursued even though it was widely recognized that defense spending is not a cause of larger deficits and that reducing defense spending does not significantly alter the path of future deficits.

Given all of that, the President nevertheless concluded, after the advice furnished him as to the availability of support in the Senate and the Congress, that it was essential to try to reduce the deficit.

Then he proposed a program that would do that in the amount of $150 billion over the next 3 years. The President submits the defense recommendations, and I want to be very clear about this, Mr. Chairman. He submits these defense recommendations for reductions in the 1985 budget only on the condition that the other major components of his deficit reduction package, that is, cuts in nondefense spending and increases in Federal revenues, be specifically approved by the Congress as well.

We are including on that basis, on that condition, a linkage basis, recommendations as to ways in which the additional $14.4 billion can be removed from the 1985 budget.

FISCAL YEAR 1985 NATIONAL DEFENSE FUNCTION—(050)

[Dollars in billions]

	Budget authority	Outlays
January 1984 request:		
DOD (051)	$305.0	$264.4
National defense (050)	313.4	272.0
Percent of real growth	13.0	9.3
May 1984 revision:		
DOD (051)	$-13.9	$-5.8
Other national defense	-0.5	-0.2
Total national defense (050)	-14.4	-6.0
Revised request:		
DOD (051)	291.1	258.6
National defense (050)	299.0	266.0
Percent of real growth	7.8	6.9

You will see on the chart before you the original request of $305 billion for the 051 function, the Defense Department function, and the reductions that we are proposing this morning in that function are $13.9 billion in budget authority and with the other elements of the 050 function taking it down by $14.4 billion.

This leaves our revised request at $291 billion which is the figure that corresponds to the $305 billion and the $229 billion corresponds to the $313 billion.

So, these reductions have been proposed to conform to the President's program. This would leave us with a real growth figure of 7.8 percent.

A great deal of attention is paid, Mr. Chairman, to the question of the amount of percentage increase from year to year. We suggest again today, as we have many times, that it is not a relevant consideration.

The only relevant consideration is whether the threat that we have to deal with is increasing. We have no question whatever in our minds that it is.

Second, that it is necessary to modernize and strengthen our forces and get them ready to deal with that threat in the face of all the problems that we have had in the seventies and before?

Department of Defense budget authority—fiscal year 1985 chronology

	Billions
January 1983	$321.6
Annual budget review (fall 1983)	-16.6
Downpayment on the deficit (May 1984)	-13.9
Revised fiscal year 1985 budget request	291.1
Total cut from January 1983	-30.5

On the next chart we show the fact that our own internal consideration of the 1985 budget, all through 1983, has resulted in the reduction of $16.6 billion from the validated requests of the services and others.

We could have fully justified on the basis of military needs a figure of $321.6. That is what those requests came to. We reduced that by $16.6 billion to get down to the $305 billion.

This morning we present a further reduction, based on the President's program for reducing the deficit, of $13.9 billion. So, we will now have taken out $30.5 billion from what we consider to be validated and useful and important requests.

These budget revisions this morning are intended solely to help accomplish the Federal fiscal policy objective. They are not submitted because the President has concluded that the 1985 budget he submitted to you on February 1 was too high. Quite the contrary.

They were submitted because he believes that, given the information furnished to him by the congressional leadership as to the lack of support for that budget and the importance of trying to do something with the deficit, we should be part of the total package that tries to deal with the deficit by reducing it by $150 billion over a 3-year period.

IMPACT ON READINESS AND MODERNIZATION

Delay in reaching readiness goals.
Delay in military force expansion rate.
Reduces aircraft flying hours.
Sustains backlogs in maintenance and repair.
Slows increase in role of Reserve Forces.
Delay in two ship overhauls.
Some procurement programs must now be canceled, some reduced, and others stretched out.

The next chart shows some of the impacts of this reduction. No one should believe that these reductions can be made lightly or without any consideration of the fact that they do have some adverse effect on our readiness, on our modernization, on all of the other aspects of the defense budget.

IMPACT ON READINESS

[Millions of dollars]

	Budget authority	Outlays
Army:		
Depot maintenance	−113.0	−88.1
Supply and logistics	−84.1	−65.7
Ammunition	−185.1	−27.9
Navy:		
Ship overhauls (2)	−320.4	−236.4
Real property maintenance	−62.1	−43.7
Tactical flying hours	−18.4	−13.0
Air Force:		
Aircraft spares and repair parts	−521.4	−52.2
Real property maintenance	−65.0	−52.8
Training munitions	−70.0	−10.8
Flying hours	−79.0	−41.3

We will delay in reaching some readiness goals. We will delay in our military force expansion. I agree with Senator Nunn that we should have an expansion.

We will have to reduce some of the aircraft flying hours that we had planned for our pilots and we will have to increase and maintain backlog in maintenance and repairs that we would otherwise have reduced. We will have to reduce the rate of increase of our Reserve forces.

We will delay two ship overhauls. There are also some procurement programs that we will come to in a moment that will have to be canceled or stretched out.

In other words, as you said, Mr. Chairman, there are all ways that have been tried before to reduce the defense budget. There are none that are good ways. There are none that can be done without some reduction in the national security and in the most efficient rates of acquiring things that we all know we need.

PROGRAM REDUCTIONS

[Dollars in millions]

	Quantity	Budget authority	Outlays
M-1 tanks	–120	–$253.5	–$33.2
Bradley fighting vehicles	–55	–84.0	–4.3
Patriot missile	–140	–141.1	–12.7
AH-64 helicopters	–32	–176.0	–21.1
TOW-2 missiles	–12,000	–120.0	–10.8
AMRAAM missiles	–154	–326.0	–48.1
Maverick missiles	–1,700	–195.0	–28.8
M-48 torpedo	–93	–67.7	–8.1
Sergeant York Divad gun	–15	–49.0	–21.4

Here are some of the specific program reductions. You will see there will be 120 fewer tanks, 55 fewer of the Bradley fighting vehicles, 140 fewer of the Patriot missile, 12,000 fewer TOW II missiles, 32 fewer helicopters, 1,700 fewer Maverick missiles, 93 fewer of the M-48 torpedoes, and 15 fewer of the division air defense guns, the Sergeant York.

These are just some examples that indicate the ways in which we achieve the budgetary reductions required by this package.

PROGRAM STRETCHOUTS

[Dollars in millions]

	Quantity	Budget authority	Outlays
F-16		–$60.0	–$6.0
C-5B	–2	–317.7	–36.3
F-18		–130.2	–15.8
SSN 688 class submarine	–1	–720.0	–40.4
TAK resupply ship	–1	–91.1	–5.1

The next chart shows the way in which we are trying to stretch out some of these programs. Again, you, and I, and everyone know this will mean that the things that we need will cost more because we will have to do them more slowly in order to achieve the short-term budgetary results than you spoke of in your statement.

We have tried our best to avoid anything that will negate completely the recent gains that have been made in the personnel area, but there are reductions in personnel accounts and these are the inevitable part of the reductions exercise.

We have tried to make sure that we adopt a criteria that doesn't lose us all of the benefits that we hoped to gain. We have tried not to add to the risk, but there has to be some additional risk to the future national security when reductions of this kind are made.

We have indeed preserved the strategic modernization initiative because it is vital that we retain both our conventional- and nuclear-deterrent capability and with the strategic nuclear modernization running only about 13½ percent of this budget, then it is even more apparent, it seems to me, that we must continue to do this. The unfortunate thing is that we have to strengthen all three parts of the triad at once instead of having had it done over the years as would have been a far better and ultimately more economical way to go.

We retain our readiness goals, but it will take us a little longer to reach them and there will be delays in a lot of our planned force expansion. There will also be delays in reaching the degree of sustainability that Senator Nunn spoke of.

We have tried to minimize as much as we can the things that would hurt us most and military personnel and strategic modernization are in that category. But we have still devoted the very large bulk of the budget to conventional military improvements.

The only other point that I would make would be again to emphasize that the Department has at no time been unwilling to point out ways in which reductions can be made. It is the easiest thing in the world to cut the defense budget.

The problem is that you do not have a world situation which either permits that or makes it in any way a completely safe thing to do. So, we do have to point out again that the amounts submitted in January and February by the President were amounts that the President and all of us would very much prefer to have approved by Congress.

We also recognize that the Congress made it eminently clear to the President that they would not approve those amounts and indeed the action of the House Armed Services Committee is an indication of that.

Therefore, we did agree to a program which would reduce the deficit and which will reduce defense as part of it even though we know that defense is not a major cause of the deficit.

All of this is in the interest of the broader national objective of deficit reduction and, therefore, we very much hope that the program will be approved by the committee and the Congress.

In conclusion, I would simply read one of the sentences in the President's letter submitting these proposals to you this morning:

> All should understand that these reductions will add to future costs and will delay somewhat the achievement of needed improvements.
>
> As previously mentioned, the reductions that I am now proposing are in addition to those that were already made before the budget was submitted to the Congress. I strongly believe, however, that any further reductions would be counter to our national security interests and could not be accepted.

[The prepared statement of Secretary Weinberger follows:]

Prepared Statement of the Secretary of Defense, Caspar W. Weinberger

INTRODUCTION

Mr. Chairman and Members of the Committee: On February 1 of this year, General Vessey and I appeared before you to present the Administration's defense program for fiscal 1985. At that time, I reveiwed for the Committee the threats to our national security and the programs we recommended to respond to those threats. I proposed to continue the effort jointly undertaken by Congress and the Administration over the past four years, to rebuild America's defense after a decade of neglect. I described the significant improvements that have been made in our defense posture as a result of the budgets adopted since 1980—in the President's strategic modernization program; in the quality of our personnel; in the readiness and sustainability of our forces; and in the modernization of our conventional forces. I proposed, on behalf of the Administration, a substantial increase in the defense budget for fiscal year 1985 over the previous year to build on these improvements and to makeup for the reductions voted by the Congress for fiscal year 1984. Such an increase, I said, would permit us most quickly to regain our strength, to continue our procurement programs at economic rates, and to attract and fairly compensate the high quality men and women we need in military service. I anticipated that, if Congress adopted the budget as proposed for 1985, then smaller increases in the defense budget would be possible in future years.

When I appeared before you in February, more than a few members of the Committee predicted that Congress would not support the defense budget at the level proposed. In the course of discussions between the Administration and the congressional leadership during February and March, it was agreed that the budget deficits projected for the next several years had to be reduced; changes in all components of the budget—revenues, domestic spending programs, and defense—were necessary if this was to be done, even though defense spending does not add greatly to the deficit and by the same token cutting defense spending does not significantly reduce the deficit.

The President announced on March 15, his willingness to seek bipartisan agreement to reduce federal deficits by $150 billion over the next 3 years. However, the President submits these fiscal year 1985 defense budget revisions only on the condition that the other two major components of the President's deficit reduction package, i.e., cuts in non-defense spending, and increases in federal revenues be specifically approved by the Congress as well. This was to include reducing the fiscal year 1985 defense budget request by an additional $14.4 billion. In keeping with the President's agreement with the Senate Majority leadership, we have undertaken the difficut task of reducing the fical year 1985 Defense request to the suggested figures as follows:

NATIONAL DEFENSE FUNCTION (050)—FISCAL YEAR 1985

[In billions of dollars]

	B/A	Outlays
January 1984 request:		
DOD (051)	305.0	264.4
National defense (050)	313.4	272.0
May 1984 revision:		
DOD (051)	−13.9	−5.8
Other national defense	−0.5	−0.2
Total national defense (050)	−14.4	−6.0
Revised estimate:		
DOD (051)	291.1	258.6
National defense (050)	299.0	266.0

The budgetary revisions noted above will be appropriately detailed in order to ensure that the Congress can complete the fiscal year 1985 process prior to the start of the fiscal year.

These fiscal year 1985 defense revisions were developed through an internal DOD Budget Review Committee, chaired by the Deputy Secretary of Defense. The process started with proposals submitted by the Military Departments, followed by careful evaluation within the Office of the Secretary of Defense and was culminated by the formal approval of those participating. This was done during an intensive three week deliberation period involving the full participation of top DOD management to propose and determine the best course of action given these new fiscal constraints.

These defense reductions were achieved by recognizing that they require both additional spending ultimately for the same items and some increase in military risk. The original budget submitted by the Department simply did not contain spending proposals that can be eliminated without adversely affecting our military capabilities as some of our critics seemed to think. The reductions we now propose attempt to minimize those adverse effects; they do not eliminate them; they do meet the President's commitments.

The general guidelines we used are as follows: First, to maintain a balanced program, reductions were required across a broad range of appropriations and activities. This was necessary in order to prevent any vital link in the defense buildup from being reduced to such a point that there would be an unacceptable risk to our military capabilities.

Second, our strategic modernization program was protected against any major reductions; in a period when an imbalance in conventional forces persists, the significance of maintaining our strategic deterrent increases.

Third, high priority areas, such as readiness, were adjusted downward by minimal amounts, so that the major gains of the past three years would not be lost.

Fourth, choices had to be made to slow down the rate at which new items of equipment could be introduced into the force. This was done principally by stretching some programs and cancelling others. As a result there will be future increases in unit cost due to the slower rates of purchase and production. In sum, these reductions will lower defense spending in the near-term and contribute a modest amount to additional fiscal constraint as part of the overall deficit reduction plan, but with the added cost of lost opportunity for future savings and with the increase of risk entailed in delaying necessary military strength.

The Administration has not been alone in facing this dilemma. Virtually any serious attempt to reduce specific programs from the fiscal year 1985 defense budget rather than simply generalizing about the overall total has had to come to terms with it. The House First Concurrent Resolution proposal to limit the next military pay raise to 3.5 percent effective October 1, 1984, as compared to the Administration request for a 5.5 percent pay raise effective January 1, 1985—a reduction of almost $400 million which we do not support—is illustrative. The House Armed Services Committee proposes no pay raise for E-1's and a 3.5 percent pay raise for all other military grades effective January 1, 1985. Either will be a signal to our service people about a lack of commitment to their future compensation levels. A trend such as this, which was experienced in the decade of the 1970's, could weaken the quality of our force through the lack of our ability to retain the best qualified people at a time of economic expansion in our country. Present savings, it bears repeating, can only be realized by increasing future costs or risks.

THE FISCAL YEAR 1985 BUDGET REVISION

These budgetary revisions are intended solely to help accomplish a federal fiscal policy objective. They are not, and should not be interpreted as a change in the Administration's foreign policy or national security objectives; nor do they, in turn, signal any change whatsoever in our military requirements, nor a lessening in the military threat that we face. The reduction of defense budgetary resources in fiscal year 1985 must be accomplished with the smallest possible loss in military capability, or loss to the morale or fighting effectiveness of our combat forces. Any other signal at this time can only indicate, to our allies and adversaries alike, that we have lost resolve to restore America's defenses, and to meet our international commitments.

The revised defense amounts are based on criteria designed to minimize added risk to our future national security and, at the same time, to continue to meet the stated objectives of the President's national security policy. The President's Strategic Modernization Initiatives are preserved because it is vital we retain both conventional and nuclear deterrence capabilities while continuing to work for arms reduction. The strengthening of all three legs of the Strategic Triad, including strategic command, control, and communications systems, remain integral to our nuclear deterrence efforts. The increased risk we would incur if we postpone again or slow down recovery of our strategic deterrent is too high a price to pay for the deficit reduction.

We retain our readiness goals, yet it will now take more time to reach them. There will be delays in our planned military force expansion rate, resulting in undermanning of support units. The basic military compensation initiatives will be retained as close as possible to the fiscal year 1984 levels so that the gains we have made in voluntary recruiting and retention will not be lost. While aircraft flying hours will be reduced, pilot flying time will be sustained at or as close as possible to fiscal year 1984 levels as we can keep it. Backlogs of maintenance and repair activities will now continue to plague us (if our original fiscal year 1984 and fiscal year 1985 figures had been kept, we would have eliminated entirely many of the backlogs), but we will reduce the most urgent of these as effectively as possible with the new figures. Deferrals of some repairs will achieve near-term budget reductions although they too will represent some loss of effectiveness to our forces, and ultimately the work we have to do will cost more.

All noncombatant programs were screened for any further possible reduction. We deferred, cancelled, and stretched out procurement production programs. This will delay and, in some instances, weaken the acquisition goals and initiatives upon which the fiscal year 1985 budget was structured. Multiyear procurement along with several other acquistion initiatives in the Department have produced significant savings. Now, reduction in the procurement area will result in less efficient production rates, higher unit costs, and more under-utilized plant capacity. Also, it will delay to later years the introduction of new weapon systems for combat units.

These budegtary consraints will require reduction in military strengths compared to originally planned levels in the February budget submission for both active and reserve forces. This will delay the intended force expansion rate, or lead to more pronounced undermanning of support units. Our hope, nevertheless, is to keep basic recruitment and retention objectives for our forces as they are.

SUMMARY OF PROGRAMS AFFECTED

A concerted effort has been made to avoid negating recent gains that have been made in the military personnel area, which is one of the most significant aspects of our military posture. This Administration and the Congress have been committed to providing compensation improvements to our military personnel for the sacrifices they make in serving our country. The rebuilding of our defense posture is not a viable option without the quality and strength of our servicemembers. Nevertheless, reductions in our personnel accounts are now necessary to meet these new fiscal constraint requirements.

Personnel related costs are correlated directly to active and reserve strengths, and funding requirements can be controlled only by adjusting these forces. But, it must be remembered that reductions in strength will diminish readiness and military capabilities, and will delay efforts to revitalize our defense posture.

Air Force active end strength will be reduced by 7,000 spaces, resulting in a savings of $47 million, and planned strength growth will be limited to 8,700 spaces. This will delay the force expansion rate and without proper management on our part could lead to degrading overall readiness and sustainability of the active force.

Planned growth in Army Reserve paid drill strength and full-time strength will be reduced by about 2,000 and 3,000 spaces respectively. Planned growth in National Guard paid drill strength and full-time strength also will be reduced by 3,900 and 5,000 spaces, respectively. The combined effect of these reductions and limitations will produce savings of about $195 million. While these reductions do not change our necessary policy for an expanding role for Reserve forces, they will clearly delay us in achieving these goals. Necessary training, supply, maintenance, etc., will be accomplished less efficiently by using drilling reservists during prime training time rather than full-time personnel during non-training time.

Selected compensation and bonus reductions will not lower our commitment to basic recruitment and retention objectives, but will make the achievement of those objectives more difficult in the near term. Reductions in the number of payments and lower levels of selected Army reenlistment bonuses will achieve savings of $15 million. However, these reductions can be expected to have a negative impact by reducing extension and reenlistment rates. As a result, same skilled manpower will be lost, and readiness will be adversely affected. Enlistment and reenlistment rates may also weaken because of an inability to reduce out-of-pocket costs to service members who are periodically directed to change duty stations. Obviously we will make every effort to reduce the adverse impact of all of this.

Improvements to the readiness and sustainability of our operating forces have been a top priority program in our revitalization efforts. Even though planned increases have been consistently reduced in the name of fiscal constraint, we have been able to resore force readiness to acceptable levels and to increase greatly the sustainability of those forces should they be committed to battle. What is endangered now by further reductions is the pace of vitally needed coantinued improvements.

Flying hours will be decreased for the Navy and the Air Force, saving a combined $97.4 million in fiscal year 1985. Although these reductions will be implemented in such a way so as to maintain fiscal year 1984 tempos, vital increases necessary to readiness improvements will be delayed.

Growth in base operations will be restrained as will other base operating support programs principally aimed at improving the living and working environment of our personnel. Reductions to real property maintenance and repair will force deferral of all but the most essential repair projects. Although backlogs in depot maintenance will be less than they were in fiscal year 1984, they will not be eliminated as we had planned and their impact will still be significant. This will decrease support of peacetime operations which, in turn, influences our ability to prepare for combat operations. Potentially more cost effective engineering and technical services to provide enhanced weapon capabilities will be deferred. Another 2 more ship overhauls will be deferred, resulting in a total overhaul backlog of 4 ships.

In the procurement area, reductions will result in a slowdown in the rate at which new weapon systems will be introduced into the force. This will be accomplished primarily by stretching ongoing programs which will result in less efficient production rates and higher unit costs. Program stretchouts will be implemented for F-16, C-5B, KC-135 Reengining, and F-18 aircraft. Program cancellations include: MK-60 Captor Mine; UC-12, and C-19A aircraft programs. Major land force acquisition that will be reduced are: M1 Tanks (120); Bradley Fighting Vehicles (55); Patriot fire units (3); AH-64 helicopters (32); and TOW-2 missiles (12,000). Major tactical air reductions will be for: F-15 (6), HH-60D (Restructure), AMRAAM missile (154), and F-18 advance procurement. Further reductions are general support programs such as ammunition, replenishment spares, vehicles, and communications and electronic equipment.

In the R&D area, the President's strategic initiatives have been retained at the levels of the original budget request. Some reductions have been made to other strategic and tactical programs but we have striven to preserve all of our fiscal year 1985 major R&D thrusts since this is where our high leverage, force multiplier systems of the future are being developed. It is not prudent to cancel or defer future force capabilities when we have strong evidence that the Soviet bloc is making real progress in the quality of weapons soon to be deployed by their forces.

Our original fiscal year 1985 Military Construction and Family Housing programs were based on present and future force deployments, the need to improve the poor condition of many existing facilities, the need to support the many new weapon systems coming into the force, and our commitment to provide adequate living and working conditions for our military personnel and their families. Therefore, the $1.2 billion program reduction in this area, of course, will impact adversely the entire range of our revitalization objectives. But when refusal to support the President's request requires a $14½ billion reduction, it is quite clear why everything will suffer.

Cancellation or deferral of operational, maintenance, training and support facilities will degrade our capability to operate and adequately maintain a vast array of military hardward, and to provide the types and levels of logistical and support activities needed to keep pace with force modernization initiatives.

Cancellation or deferral of construction facilities needed to provide an adequate living and working environment will result in poor morale, lower productivity, and higher personnel turnover.

Cancellation or reduction of projects to replace obsolete physical plant carries a penalty in the form of excessive costs incurred in operating and maintaining aged, obsolete and dysfunctional facilities, which have long outlived their useful economic lives.

CONCLUSION

At the time the fiscal year 1985 defense budget was presented in early February, I emphasized that any failure to sustain, in this critical budget year, the defense revitalization program now underway would dilute the gains made during the past three years by causing delays, stretchouts, terminations, and future increases in the cost of restoring America's deterrent strength, and adding to the risk every free nation faces. Now, because of the congressional feeling that our Nation's most important priority is to try to make some reduction in our deficits, we invite this result.

Secretary **Weinberger**. Mr. Chairman, General Vessey has a statement and then we will be glad to take questions.

Chairman **Tower**. General Vessey?

STATEMENT OF GEN. JOHN W. VESSEY, JR., U.S. ARMY, CHAIRMAN, JOINT CHIEFS OF STAFF

General **Vessey**. I don't have a written statement, Mr. Chairman. I will simply say that as the Secretary and I testified earlier, the Joint Chiefs of Staff participated fully in the development of the budget that was submitted to you earlier.

We don't advocate the cuts, but we participated with the Secretary in the development of these cuts, understanding that they had to be developed and submitted and if the defense budget needs to be cut for reasons other than defense, then the way the Secretary has laid out the cuts has the support of the Joint Chiefs of Staff.

Chairman **Tower**. Thank you, General Vessey.

Mr. Secretary, the President's commitment to reductions in defense is connected to a 3-year deficit reduction plan.

Have the out year budget contraints been taken into consideration in the fiscal year 1985 revisions and have internal planning documents for fiscal year 1986 and fiscal year 1987 been adjusted to reflect the compromise levels agreed to by the President?

Secretary **Weinberger**. Those documents, Mr. Chairman, are being prepared and put together now. The process by which we make up the budget takes about 9 months. We are working on revisions to the 1986 and 1987 totals that are inherent in the 1985 changes presented to you this morning.

We don't have anything of that kind completed yet, but those will be internal papers, and so on, that we will be working on during the course of the summer and the early fall.

Chairman **Tower**. General Vessey, has the prospect of a more constrained defense budget changed your views about the order or standing of defense priorities contained in the 1985 budget?

General **Vessey**. The priorities were correctly laid out. I have not changed my views on the priorities.

As the Secretary pointed out, cuts have been taken across the board in the budget, but with particular attention to those things that the Chiefs have considered high priority.

First, we have protected, by and large, the military personnel accounts with the exception of not increasing the strength.

Readiness has taken the smallest cut other than the personnel side and the strategic modernization program has been protected.

Chairman **Tower**. I will reserve the balance of my time.

Senator Nunn?

Senator **Nunn**. Thank you very much, Mr. Chairman.

Mr. Secretary, I believe in your statement you stated that the strategic modernization program was protected against any major reduction and more specifically you said no cuts were made in the strategic research and development account which is about $7 billion.

Is that correct, no cuts are made in that account?

Secretary **Weinberger**. The strategic programs have been protected and the research and development procurement under them.

We have made a few reductions in items that are classified as strategic, but the strategic modernization program and the R&D connected with it has been preserved.

Senator NUNN. Is that true also for the procurement account on strategic nuclear weapons? Were there cuts made in this account?

That is about $14 billion as originally submitted.

Secretary WEINBERGER. There are again some changes and I will be glad to go over them. The $1.2 billion reduction of the $13.9 billion comes from programs that are classified formally as strategic.

We can go into those in detail with you. The actual acquisition of the strategic modernization of the nuclear triad has been protected.

Senator NUNN. Did you make any reductions in the procurement and R&D of theater and tactical nuclear forces?

Secretary WEINBERGER. Yes, there has been some reduction in that, too. We can, again, give you the details. Probably we ought to do that in closed session.

Senator NUNN. Would it be fair to say these programs were also very high priority and were largely protected?

Secretary WEINBERGER. After we got through the strategic modernization and the military personnel, we did protect those as fully as we could.

We had to touch almost everything else. And we even touched some of the strategic programs that are not part of the strategic modernization. That includes some theater nuclear forces, too.

Senator NUNN. On page 3 of your statement, Mr. Secretary, you say at the bottom of the page that we currently will continue to have an imbalance in our conventional forces.

Secretary WEINBERGER. What is the location?

Senator NUNN. Page 3 of your statement, bottom of the page. It says: "In a period when an imbalance in conventional forces persists, the significance of maintaining our strategic defense increases."

Secretary WEINBERGER. Yes. The imbalance that is referred to is the imbalance between NATO and the Warsaw Pact.

Senator NUNN. In spite of that conventional impact, do you believe that the priority programs of this administration should continue to be the nuclear programs?

Secretary WEINBERGER. One of the priority programs, Senator. Many times, starting with my first confirmation hearing, I indicated to you that in the situation which we have inherited there are a great many priorities.

It is pretty hard to say which is the first. One of them certainly is the modernization of the strategic nuclear deterrent force.

Senator NUNN. That has assumed a priority position in the budget cuts.

Secretary WEINBERGER. It has assumed a priority only in the sense that we have maintained, first of all, the general share of about 13 to 14 percent of the total budget for this area. We do not recommend cuts in the B-1, nor do we recommend cuts in the MX, the D-5 missile, and we do not recommend cuts in command, control, and communications improvements that are a vital part of that program.

We also have made recommendations, however, for other strategic reductions and we have made recommendations for trying to preserve the military personnel items as close to the original as possible because that is a vital part of readiness.

Senator NUNN. How about the space activities?

It is my understanding the DOD budget for space activities is $10 billion.

How much of a reduction has been taken in this area?

Secretary WEINBERGER. I don't know that there have been major reductions made in that. You have to define, I think, with somewhat greater care the programs that we are talking about.

If you are talking about NASA programs, they are obviously not part of our budget.

Senator NUNN. I am just talking about the DOD part.

Secretary WEINBERGER. If you are talking about the activities that we would do in connection with trying to develop a strategic defense initiative, that amount was about $250 million of new money and that has not been reduced.

Senator NUNN. Mr. Secretary, in one of the unofficial cut lists that you referred to that came to the Congress, I believe it is one of the Air Force lists. They recommended canceling the advanced cruise missile, and making cuts in the advanced technology bomber program.

That was confirmed to my staff and not surprisingly, even though you said we should pay attention strictly to what the Department of Defense submits formally, the House Armed Services Committee marked up on that basis.

First, do you agree with those recommendations?

Second, what priority within the strategic modernization program do you accord these two programs?

Secretary WEINBERGER. I do not agree with those and they are not recommendations. I would be most interested to know who confirmed erroneous reports to your staff. Probably the same people who furnished the original erroneous reports.

The simple fact of the matter is that the advanced cruise missile is not marked for reduction. We are proceeding with the development of these programs, as I mentioned to you in broad general terms in my opening statement, which we regard as having a high priority.

There are a number of different sources. An interesting example is this last week when Pentagon sources seemed to disagree with each other. As a result, we have had a lot of conflicting newspaper stories.

Again, I would counsel that you come to the people who are in charge of determining policy and we will be glad to tell you what the facts are.

These recommendations emerge from various people and various sources, but they should not be given any credence until they assume the form that they are in this morning, where we are presenting to you what we have actually recommended.

There are a great many preliminary situations, discussions, sources, et cetera, but they are not very useful. It would be very much like my taking a preliminary draft that your staff did for a speech and launching into a bitter press conference criticism of it before you delivered it. This I would not do.

I suggest what we need to do is look at what is officially decided and that is before you.

Senator **Nunn**. I think that message needs to be conveyed around the Hill. So far it has not been done. I congratulate you on reversing this. I think this indicates what is going to be done in the future and what will be squeezed and what will be squeezed next year.

You made a 1-year presentation, fiscal 1985. The President's Rose Garden package, so to speak, was a 3-year program. There are cuts for 3 years. The total cuts were $57 billion over 3 years.

We have talked about 1 year. That leaves a $25 billion reduction the President committed to in fiscal 1986 and $17 billion in fiscal year 1987 if my figures are correct.

Have you considered these 2 years of cuts in making the first year's presentation?

Secretary **Weinberger**. Not in any detail, Senator. The first of those two will be submitted to you in February 1985. The next one will be submitted in February 1986.

We have just begun the work on the 1986 budget.

Senator **Nunn**. Will you consider that 3-year package, indeed the Presidential directive, binding on the Department of Defense?

Secretary **Weinberger**. Those are certainly the guidelines that we will follow.

The final budget that will be sent up will be the budget that the President sends up. We will work within the guidelines we have been given, of course.

Senator **Nunn**. Those guidelines have been given for the 3 years, not just the 1 year?

Secretary **Weinberger**. Yes. Again, the President has said many times, including in the Rose Garden and meetings preceding it, that the world conditions will have to be examined because he has certain constitutional responsibilities, and he will have to fulfull those, and Congress will fulfill theirs by acting on whatever recommendations he sends up.

The guidelines under which we are operating are the guidelines that were outlined at that time.

Senator **Nunn**. Can you really consider the 1985 budget cuts in isolation without really looking where you are going in 1986 and 1987?

Secretary **Weinberger**. We have a very good idea where we want to go. We had a good idea where we wanted to go in February of this year.

The reductions we have made now, obviously, will have an effect on those plans. I indicated on the chart some stretch-out, some things that will have to be added to what we would have recommended in 1986 because we won't be getting them in 1985.

That is why I make the point that we all know we need these things and we all agree we need these things.

What we are doing this morning, in response to the congressional determination that they would not support the $305 billion figure, is indicating to you that we will still have to have those things, but they will now cost us more and they will take longer to get. They will have to be added in 1986.

In response to your question, yes, we will have to consider in 1986 the reductions in the 1985 budget. We are concentrating on trying to get the 1985 budget enacted. We will start the 1986 process in a matter of a couple of weeks.

Senator NUNN. Thank you, Mr. Chairman. My time has expired.

Chairman TOWER. Senator Goldwater?

Senator GOLDWATER. Thank you, Mr. Chairman.

I want to congratulate you, Mr. Chairman, on the job that has been done very well.

I want to make this statement first, that I have been very much around the different theaters in the last year and every place I have been I have asked one question, "Do you think your forces are superior to 3 years ago?"

I have never had a negative answer. It is my observation that personnel-wise, troop strength, Air, Navy, and so forth, have never been at such a high level of quality as we have today.

Now, Mr. Chairman, Maxwell Taylor said sometime during the Korean conflict that success on the battlefield depended on command, equipment, and training.

I don't think there is much question about our command abilities today nor do I worry much about the command structure ahead of us.

But when we start cutting down on equipment, we have to get worried. Every theater that we are in, every theater where we face a potential enemy, the enemy outnumbers us in tactical equipment.

Yet we are having to cut the F-15, the F-16, the F-18 to some extent, Navy tactical aircraft, Army tactical aircraft. By necessity I am not arguing that you made a mistake in it, but when we cut down on equipment, then we get to the matter of training.

There is one point that does bother me, a reduction of 20,000 hours in flying time for the Air Force and 6,800 hours for the Navy. I know this isn't much. It probably does not average out more than an hour or so per man.

But getting back to the fact that the potential enemies, where we face them, outnumber us in great number in tactical equipment, our only leg up is in the superiority quality of our pilots, whether they be Army, Air Force or Marines.

One of the ways they have this superiority is the fact that they have better training and they have had their flying hours increased. With the modern tactical aircraft you cannot knock down the total flying hours and expect to keep quality up.

I would hope that during the coming year there may be some way that you and the Joint Chiefs can take another look at this reduction and not only bring it back, but increase it.

I find nothing in the complete catalog that you have given us that I can find any fault with any more than you can. You don't like it any more than I don't like it. I have always lived by the idea that we have peace when you are strong.

I am reminded constantly sitting on the Senate floor of what this country went through in the 1930's. It seems I can hear the same arguments, the same debates that put us in World War II.

I honestly think that we are in a position now with our superiority to prevent war. I don't think we need to go to war. But when the enemy thinks we are not strong enough, then we are in danger.

Only one thing more. We have a lot of bases around this country that you can close. I would suggest you start closing them just as soon as you want to. If you want to start in my State, it is perfectly all right.

That is all I have, Mr. Chairman.

General **Vessey**. I might say a word about the flying hour program, Senator.

There will be no reduction in the flying hour program from this present year which is just about at an all-time high for the Navy and the Air Force.

The increase in flying hours for the Army is being held in the budget. The Army needed the increased flying hours.

So, the Air Force will go up slightly per pilot in 1985, but won't go up as much as we want it to go up and neither will the Navy, but they won't go down.

Secretary **Weinberger**. It is the rate of increase that has been curtailed.

Senator, I have to agree totally with you about the comparison and the echoes of the thirties. You and I know how close run a thing it was in World War II to get ready even though we had some warning. That was because of what happended in the thirties.

I don't know, none of us knows, how much time we will have next time should there be a next time. I think the best way to prevent there being a next time is to stay strong.

The other point is that this will be a somewhat unusual hearing, as the chairman said, because I am not able to disagree with any of your criticisms of any of our cuts because, as you have correctly stated, neither we nor the President wanted to make them.

The reasons why they are before you are widely known and I think that is all I want to say about them.

Senator **Goldwater**. General Vessey, I don't think you should decrease flying hours in the Army.

General **Vessey**. We are raising them in the Army.

Senator **Goldwater**. Good. Because flying your new Iroquois helicopter takes more training than some others.

General **Vessey**. The Army needed to raise its flying hour program and it is being raised.

Chairman **Tower**. Senator Stennis?

Senator **Stennis**. Mr. Chairman, I think we are having a debate now on the floor that proposes to put a cap on the military spending and that is before there is any report from the Authorization Committee and before there is any report from the Appropriations Committee.

We are having these hearings today on large sums of money for various purposes. I cannot see how we can pass a provision putting caps on before the report as a whole has come out of the committees, but these are days when anything can happen.

I want to get something in the record now and I won't dwell on this at length.

What percentage of the budget now, Mr. Secretary, goes for personnel costs?

Secretary **Weinberger**. Forty-three percent, Senator.

Senator **Stennis**. How does that compare with some recent previous years?

Secretary **Weinberger**. It is close. It always runs in the neighborhood of 50. The original budget submitted to you, sir, in February was 42.2 percent. It is now 43 percent because we made reductions in the total budget, but not a proportionate degree of reductions in the personnel cost.

Senator **Stennis**. What part of your budget now is for the National Guard and Reserves and how much cut is in this area?

Secretary **Weinberger**. There is some reduction in the amounts that would go to the Reserves and the National Guard. I will have to get the percentage figure for you and I will do that.

Senator **Stennis**. That is entirely all right.

Secretary **Weinberger**. We tried not to injure those too much because we rely heavily on the Guard and Reserve and we have been increasing their strength and the modernity of their equipment, but there is some reduction in that and I can get the precise amount for you shortly.

Senator **Stennis**. I know what you have been doing and in my opinion it is a commendable turn that you have taken in that way. This is with all deference to the regular forces.

You get a whole lot for your dollar here and some of these units are extremely good. I think you encourage them by giving them a little equipment that is not already nearly worn out, and so forth, and supplying them with first class equipment.

What about the duties now? I know you can't answer this completely now, but what about the purpose in transferring some of the duties, more duties, to the Guard and Reserve or changing them either way?

Secretary **Weinberger**. We try to use the summer training periods for very realistic kinds of training. There were some of the Guard units in Costa Rica and Panama, for example, this spring and there will be again this summer, who will do realistic training and will carry out functions that are very useful for our southern command.

I don't know that we have transferred any formal duties to the Guard and Reserve that have not already been moved because there is not a great deal left that we can move away from the Active Forces.

General Vessey may want to elaborate on that.

We certainly want to use the Guard and Reserve to the maximum extent possible and this requires getting very good equipment for them and realistic training and setting aside enough funding so that their pilots and their other forces can maneuver and train realistically.

General **Vessey**. I would simply say, Senator, that the Joint Chiefs of Staff have a continuing review of how to use the Guard and Reserve forces more effectively in carrying out our national strategy.

We have assigned new war plan tasks to the Guard and Reserve units that require readiness and training and that is underway.

Senator **Stennis**. In trying to bring this figure down, did you apply any new duties at all, any changes in the Guard and Reserve in order to save money?

General **Vessey**. For example, in the Air Force there may be a move of some duties to Guard and Reserve units as a result of the personnel strength cuts in the Air Force.

Senator **Stennis**. Could you repeat that?

General **Vessey**. In the Air Force there will be some shifts of duties to Guard and Reserve squadrons as a result of the failure to increase the active Air Force end strength.

Senator **Stennis**. In my earlier years on the Armed Services Committee, and Appropriations Committee, too, I did not give as much thought as I should have to trying to save money because it was going for a military purpose and we had to be safe and not trim things too much.

I have no doubt about it that now we have reached the point where everyone will have to pitch in and try to hold these money figures down.

I am not trying to punish anyone for anything they have done or didn't do, but it is necessary that we all should make a greater effort to save money.

I think it applies to all of us with emphasis, all the Departments. Somebody somewhere has to try harder, in the Congress and in the services. I won't argue that now.

Secretary **Weinberger**. Senator, I do have a couple of figures that have been given me about the proposal with respect to the reductions in the Active Guard and Reserve.

The previous growth that we had sought we are now reducing by 8,000 spaces. That still allows a growth of about 8,000 spaces. We had asked for a 16,000 increase and we just about cut that in half in these recommended reductions.

The House Armed Services Committee has made some cuts in this.

We have also made these recommendations as part of today's proposal. Obviously, we would rather not have done that because we agree with you as to the importance of the Guard and Reserve.

Senator **Stennis**. That is encouraging. The fact you asked for them shows you had a purpose and shows you had a need.

Secretary **Weinberger**. We will go up about 8,000 spaces.

Senator **Stennis**. You had originally asked an increase of 16,000; is that right?

Secretary **Weinberger**. Yes.

Senator **Stennis**. Thank you.

Chairman **Tower**. Senator Warner?

Senator **Warner**. Mr. Secretary, my questions relate to the submarine force. This year we have received testimony in the Subcommittee on Strategic Forces and indeed the Cohen Subcommittee on Seapower about the ever growing strength of the Soviet submarine force, both strategically and conventionally.

The first question relates to the communication, command, and control that we have had with our submarine force. I notice here with great disappointment the canceling of the program of the new aircraft, the E–6A, or ECX which was designed to replace the C-130, an aging aircraft performing the Takamo function.

Here we are spending billions of dollars, quite properly, modernizing the strategic leg with the new Trident submarines, yet we are not placing or we have stopped this year a program of improving the means to communicate with the Trident submarines by the elimination of the ECX.

Could you provide us the reasoning behind that concellation?

Secretary **Weinberger**. Again, sir, it is one of the ways you get the $13.9 billion. It is not one of the ways we wanted to go, but we save $77 million in net cost by canceling that replacement aircraft, and procuring the improved C-130's.

We will put much of the communications gear on the C-130 that would otherwise have gone on the new plane. The new plane obviously would have some very attractive and useful features, particularly in communications with the Trident submarines.

Senator **Warner**. You are spending billions of dollars on a brand new Trident, yet you are trying to upgrade an aging fleet of 130's.

Secretary **Weinberger**. They won't be aging because they will be new planes on an older frame, but they will have additional equipment on them.

Again, Senator, I am in a difficult position here because I would have preferred the original recommendations which did include $77 billion for the new plane this year.

As was said earlier, we have out-years to consider and the out-year costs, of course, will increase for that. We have to have that in mind as well as the current year.

I can't argue about the importance of having that kind of communication.

Senator **Warner**. We will have to review this here very carefully. It may well be that we have a different judgment on priorities because the whole chain is no stronger than its weakest link.

If we don't have the proper aircraft with the range, despite the ability to go back and perhaps put a more modern electronics suite into the 130, it is questionable whether that aircraft will have the range that we have now achieved with the new Trident submarine.

Turning then to the conventional submarine force, here again the United States is suffering from a disadvantage of 3½ to 4 times as many Soviet attack submarines as we have in the United States.

The Soviets are starting new construction of several different models of new attack submarines. They are going to extraordinary means to protect their submarines and you are well aware of that highly classified information which has been, of course, shared with the Senate.

We have this program which has been underway for years, the 688 class nuclear attack submarine. Yet in the face of the overwhelming numbers advantage of the Soviets, we have now decided to eliminate one submarine.

Again, the justification for that?

Secretary **Weinberger**. In the face of overwhelming opposition from the Congress to the President's budget, we had to find the $720 million to make up the $13.9 billion. This is one of those areas.

The original desire and recommendation of the President and the Department are before you in the budget that was submitted in

February. That did include continuation of the rate of four a year of the submarines.

Your categorization of the threat is exactly correct. The Soviets have no such constraints. They continue to add very largely to the numerical superiority which they have had for some time. But this saves $720 million and it saves it in this year and that, of course, has to be an important consideration.

I am sorry. I am not able to make my usual strong opposition arguments to what you previously proposed, Senator.

Senator **WARNER**. Mr. Secretary, both of us have had the advantage of being on that side. You are not putting a gold watch on the table knowing that the Congress will come back and put the submarine in?

Secretary **WEINBERGER**. No. We are looking around for $13.9 billion. It is not an easy task. It has taken a long time and very concentrated work and resulted in proposals that neither the President nor we wanted to do.

We have to face the fact that we were told in at least 10 meetings I attended that the votes were not there to pass the President's budget.

Senator **WARNER**. Let us turn now to the Strategic Defense Initiatives, commonly referred to as "Star Wars." It is not in this particular submission today, but there have been no cuts in that program.

In the testimony thus far, I must tell you quite frankly there has been difficulty in getting a clear definition of the goals from the administration witnesses. As such, there is grave and legitimate concern among a number of Members of the Senate with respect to this program.

My particular question refers to your recent speech before the National Press Club in which you mentioned the possibility of intermediate deployment of limited ballistic missile defense.

Does that represent a new direction for the Strategic Defense Initiative Program?

Secretary **WEINBERGER**. No, sir. The people writing the story seemed to think so, but it was not. It was an inherent part of the Fletcher committee and the other groups examining the problem.

There should not be any confusion about administration goals. The administration goals as stated by the administration's authorized witnesses are very clear.

They are simply that we are going to do our best through research and all of the other means available to persuade the Congress to vote the necessary sums to enable us to do the research that can provide a thoroughly reliable defense against incoming Soviet missiles.

The Soviets have been working on this since 1967, and it is vital that we not let them get such a system first because then we have a far more perilous world than any of us would like to think about.

Senator **WARNER**. In the definition, as you say, to protect us against the incoming Soviet ballistic missiles, part of the problem is whether that protection is afforded our own weapon systems, the command and control, the leadership or general population.

Secretary **WEINBERGER**. It is not point defense, Senator. It is not anything that defends against a specific target. It is a system that destroys the Soviet missiles before they get into the atmosphere or before the missiles are in the separation stage or in subsequent stages.

It is a system which is designed to defend against all incoming Soviet missiles. We don't have it yet, of course.

What we are trying to do is get the research and the work necessary to see if it is indeed feasible. I believe we can do it. I don't have any doubts we can do it if there is a sufficiently sustained desire to do it because I think it is fully within our capability.

That is essentially what the goal is. There is nothing ambiguous or confusing about it.

What we are saying is what the various groups that studied it told us, that it may be that you will develop certain aspects of the system which will give some protection while you are trying to get the thoroughly reliable protection that we want and that we should consider deploying those if we do.

That was essentially the reference that I picked up in the talk that you mentioned.

Senator **Warner**. Turning now to the impact of the reductions made on the strategic modernization program by the House of Representatives, can you give us your opinion with respect to their cuts and how we might take a different approach?

Secretary **Weinberger**. I haven't seen their final action. They have made some reductions in the rate of production of the MX and they have, generally left reasonably well alone the other parts of the strategic program, though they have made some suggested cuts.

I would not want to comment in detail or with any finality until I have seen what they have done.

I do feel it is essential to preserve the principal elements of the strategic modernization program of the President; that is, the MX, the B-1, the D-5 missile and the improved command, control and communications.

When you cut back the rate of production, you do what we have said is the case at all times, you make what we all agree we need, more expensive, and we add to the risk by delaying when you get it.

We also have another problem with the strategic modernization program. That is, you send very bad signals for anyone interested, as we are, in trying to secure arms reduction agreements.

As you know, there is no one in the room, neither at the START talks or the INF talks, on the other side of the table. We are waiting patiently and we hope the Soviets will finally decide it is to their interests to come back and continue negotiations.

If they know they can get reductions on the American program without coming into the room, they are never going to come into the room.

They also know the relative effect of their having put so much into their strategic programs and the fact that they are now testing and working forward deployment of their fifth and sixth generations of their missiles and we are continuing our 12-year debate as to whether we should improve our third generation of missiles.

Senator **Warner**. In short, the MX is essential to the resumption of the arms control talks?

Secretary **Weinberger**. Two points. It is essential for resumption of the arms reduction talks and it is essential to have that kind of modernization because without it we risk our deterrent credibility.

Senator **Nunn**. Would you yield for 30 seconds?

For the record, I think the Secretary may want to clarify this because in answer to my questions, he said he very much disagreed with the House cuts on the advanced cruise missile and advanced technology bomber.

Secretary **Weinberger**. I did not mention that. I do disagree with that and I would want the disagreement to stand.

I was referring to the triad in my response to Senator Warner's questions.

Chairman **Tower**. Senator Exon?

Senator **Exon**. Mr. Chairman, thank you very much.

As far as the second round of questioning is concerned, I have no questions of the Chairman of the Joint Chiefs of Staff. He does an excellent job and I will be pleased to support him.

I have looked over the proposals that have been made previously. I want to congratulate the Secretary for what appears to me to be a rather forthcoming attitude.

We have tried for a long time to get the Department to come over here and tell us where these reductions should be made. I guess it has been testified to already in this session that by and large this is a stretchout program rather than significant cancellation of any systems.

Is that a fair appraisal of the overview?

Secretary **Weinberger**. We have recommended some cancellations, Senator.

We have also recommended some stretchouts. We have had to do both because we had to search everywhere we could to find the amounts that were necessary to come up with the President's total.

There have been some recommended cancellations and we will be glad to submit all of those to you.

[The information follows:]

PROGRAM CANCELLATION

Since 1981, the Department of Defense has canceled or reduced 191 programs resulting in a total savings of $18.9 billion. New initiatives contained in the May 3 budget revisions include the M-60 CAPTOR mine, UC-12B aircraft, and C-19A aircraft. This year's estimate of savings from previously canceled/reduced programs is a net of $1.4 billion higher than last year based primarily on the addition of the Anti-Armor Cluster Munition program (+$1.4 billion).

Senator **Exon**. There are three I will get into in a moment, but by and large you have come down to this amount essentially, primarily by stretchout?

Secretary **Weinberger**. We have certainly tried to make some savings that way. We can go over the broad categories here if you would like.

We have tried to hold military personnel to the minimum changes. We have cut $6 million out of that.

We cut $2.5 billion out of operations and maintenance.

We cut $8.5 billion out of procurement.

We cut $800 million out of research and development.

We cut $1.5 billion out of military construction and family housing.

And $100 million of other miscellaneous items involving the Defense Department agencies.

The procurement items do consist of a certain amount of stretchout as a way of trying to reduce the immediate impact, to try to get the maximum medium impact of these reductions.

One of them we talked about with Senator Warner a moment ago. Reducing the production of submarines from four to three a year saves $720 billion.

Senator EXON. As I understand your proposal, it would require a 7.8-percent increase after inflation; is that correct?

Secretary WEINBERGER. I believe that is the figure. I mentioned when you were on the floor, Senator, that we feel the rate of increase is a totally irrelevant figure.

What is relevant is what you need. However, these reductions do produce that percentage change and we included it because we knew there was a lot of interest in what that figure was.

Senator EXON. As I understand the President's proposal to the Congress, he is coming down from his 13-percent increase after inflation to 7 percent. I thought it was 7 percent.

Is the President's Rose Garden arrangement a 7-percent increase or 7.8-percent increase?

Secretary WEINBERGER. There has been no change in what his commitment was. We have followed it completely and carried it out to the letter.

It turns out to be 7.8 percent in budget authority, 6.9 percent in outlays.

Senator EXON. If I understand correctly, in response to questions asked by Senator Nunn, there is no reduction in research and development for either SDI or ASAT; is that correct?

Secretary WEINBERGER. We have made some recommendations for reductions in some of the strategic programs, but not the strategic modernization program.

I would have to get the ASAT figures for you. I am not sure whether there is any recommendation for any reduction or not. If there is, it is only a small one because we consider it essential to proceed with the work since the Soviets have already acquired an ASAT capability.

Senator EXON. I thank you for your effort, Mr. Secretary. Let me go to one specific item.

Of course, you would anticipate and one of your concerns has been that once you come up with a program, then there will be some nitpicking at whatever the cuts were.

Secretary WEINBERGER. I would not use the word, Senator, but it is quite true every single item we have suggested will have opposition to it, there is no question, just as every single item we suggested in the original budget did have.

Senator EXON. Let me ask you for a moment, and I would like to have both you and the General respond to that, about the MK-60 Captor mine reduction.

This is nitpicking, but I think maybe this question can get at maybe some of the theory behind the reduction.

As I understand it, our naval strategy calls for taking the war to the Soviet Union if war should break out in a conventional sense and one of the important parts of that strategy would be to deny them use of airfields, ports, and access to the open ocean.

I had always understood that the MK-60 Captor mine would be a particularly important weapon system to carry out that important part of our strategy for a conventional offense if that became necessary.

Do you have some other system that you think would play the role that the MK-60 Captor mine would have in such a strategy?

How would we cover the role that the MK-60 would play in such a strike on our behalf?

Secretary WEINBERGER. The recommended reduction, Senator, does not really have any such overreaching strategic significance. We would complete that program in 1985 of the total buy that we felt was essential.

We have now acquired 2,204 of the mines involved.

Senator EXON. How many?

Secretary WEINBERGER. 2,204.

What we are canceling is the balance of 300 mines which was planned to be ordered to complete the program this year. We will cancel that this year and cover whatever additions may be needed by increased reliance on other systems of antisubmarine warfare and we believe that with this stockpile we have sufficient numbers.

Senator EXON. In other words, what you are saying is the stockpile is sufficient to carry out the role and mission essentially that the MK-60 had?

Secretary WEINBERGER. Yes, sir.

Senator EXON. While depending to some extent on other systems?

Secretary WEINBERGER. So far as we know. Of course, going back to the very basic things, we would hope that having this capability will be an added reason why we may never have to use it.

In the course of going through and making reductions of all kinds we felt that this was one of the ones that could go down.

Senator EXON. My last question, Mr. Secretary.

We are talking about a 7.8-percent increase in the defense budget. I think you and I know that in the end in the conference between the House and Senate it is not likely to go in at the 7-percent range, but more likely in the 4- to 5-percent range if I can properly read the intentions of at least the majority of the Senate and the House at the present time.

Can you give us any suggestions at this time as to what we might be able to reduce further beyond that you have outlined if in fact the overall real increase in defense spending is in the, say, 4- to 5-percent range rather than the 7-percent range?

Secretary WEINBERGER. No, Senator, I don't even want to concentrate on the added risk to the national security. I think the President's letter is quite clear.

He feels that he had great reluctance in coming to this level and he feels that futher reductions would definitely and clearly impair the security and add unreasonably to the risk that we all face in view of the types of threat and increasing nature of those threats that we face.

So, we have taken now some $30 billion out of the required and validated defense requests, both before it was submitted to the Congress. We think further reductions would put the Nation at a risk we should not have to face.

Senator EXON. Let me follow up on that.

Supposing the real increase in defense is in the 4- to 5-percent range, that is what the Congress appropriates in the end, what action would you like to take, simply stretch out the program a little more than you already have or cancel programs?

Secretary WEINBERGER. I have given you my initial reaction. My more reasoned reaction would be somewhat stronger.

I don't know that we would have that choice. We would be handed the Conference Committee report which probably would do many of the types of things that the 1984 Conference Committee report did. That was to go into some 700 items and take a little bit here and a little bit there, all in the interest of trying to get a percentage increase as the main goal of the Congress.

We think this is absolutely the wrong way to go about it.

We have submitted a budget. We have taken $30 billion out of validated needs. We have taken 13.9 again this morning, and we think now we ought to look at the needs of the country and the validated needs of the services and not just try to reach a percentage increase which has no relevance or connection with the threat that we face.

Senator EXON. I appreciate your statement. Mr. Secretary. I know you are a very concerned individual. I have always accepted that.

I simply say to you once again I think the increase is not going to be as high as you might think. Once again, that puts the Congress in the position of looking at specific programs.

Essentially I would have to say that the way you have advanced this program, the general stretchout without the cancellation of a single weapon system or any reduction in either SDI or ASAT, may cause us some great heartaches, but somewhere along the line we will have to cut.

We will be glad to work with you.

Chairman TOWER. Senator Humphrey?

Senator HUMPHREY. Mr. Secretary, in the case of the M-1 tank which has been reduced in quantity of buy, will that affect the unit price?

Secretary WEINBERGER. I think it is inevitable that it will affect the unit price, Senator. We don't have any indication of how much. I would not want to give encouragement to the manufacturer.

There is no question that when you buy fewer you will have to pay more for each unit he produces.

There are things we would need now. There are things we will have to spend more to get. It will take us longer and thereby add to the risk.

Senator HUMPHREY. You have no estimate as yet as to increase in unit cost for these?

Secretary WEINBERGER. Not over the whole spectrum. We can certainly get you some specific item increases.

Again, we will bargain as hard as we can with the manufacturer because we don't want to concede there are going to have to be increases now.

Without any question we will have to have that kind of result. When you get fewer, when you stretch it out, it does cost you more.

We will try to get some specifics for any particular weapon system you are interested in. We do want to try our best to persuade the manufacturers not to take advantage of the situation.

Senator HUMPHREY. I understand that, but the history of these kinds of situations is that when you reduce the program by or stretch out, the period of production, inevitably the unit price goes up.

Secretary WEINBERGER. Inevitably. It is a thing I have fought against for years.

Senator HUMPHREY. Is that not the greatest reason for cost overruns or waste in the Pentagon?

Secretary WEINBERGER. Part of it. It is not waste. It is expenditure that could have been avoided.

Senator HUMPHREY. I would say it is waste. May we differ in the terminology?

In your experience have you found that to be the major reason for unnecessary expense?

Secretary WEINBERGER. Generally that and also the changes in totals that are made after a buy or contract is decided upon.

Then, because of the short-term budget deficit, one way or another the total number required is reduced. That pushes the cost up drastically.

You will see this in a lot of SAR's and other things that we will have to submit.

Senator HUMPHREY. This kind of unnecessary expense, or waste, as I put it, far exceeds the waste which this administration through its audits has turned up in the Department of Defense concerning overpricing of nuts and bolts?

Secretary WEINBERGER. Oh, yes.

Senator HUMPHREY. Which has gotten the most attention in the press, namely the overpricing of hardware, nuts and bolts, and tools, and things like that, which really pales in comparison with the kind of waste, or unnecessary expense, as you term it, that Congress generates by mandating these reductions in procurement programs once they are underway?

Secretary WEINBERGER. Without any question.

Senator HUMPHREY. Here we are viewing at the outset another case of Congress inducing enormous waste in procurement programs; is that correct?

Secretary WEINBERGER. I am afraid that is true.

Senator HUMPHREY. In a couple of years we will hear the press screaming about the excessive cost of the F-15's, F-16's, fighters and M-1 tanks. Here is where this started.

Secretary WEINBERGER. That is correct. It is up and down with an inability to follow a planned consistent pattern.

As I mentioned in the opening statement, we lose some of the savings that we hope to gain through multiyear procurement.

Senator HUMPHREY. I don't want to fly under false colors, Mr. Chairman. I have been supporting the freeze approach to our budget crisis not because I wanted to, but because I viewed the fiscal crisis as the greatest crisis by far that this Nation faces.

I am reluctantly supporting the budget this year on the condition we would freeze the rest of the budget. I want to be honest about that.

The point I want to make is that these are false economies.

Secretary **Weinberger**. I classify them as economies that are neither necessary nor desirable but respond to the clear statements of the congressional leadership and others that the President's program as submitted would not be enacted.

Senator **Nunn**. I thought we were talking about the President's budget cuts here this morning.

Secretary **Weinberger**. We are talking about the President's budget recommendations induced by the statement of the congressional leadership that his original recommendations could not be enacted.

Senator **Humphrey**. Mr. Secretary, I come now to a more fundamental point.

In as much as the Department of Defense and the administration are being induced by the unwillingness of the Congress to pay for programs which Congress has already authorized and such resulting in false economy, could we not conclude that the fundamental problem is because of a mismatch, the commitments the United States has made around the world and unwillingness of the Congress and the American people to fund those commitments?

Secretary **Weinberger**. That is certainly one way to put it. I don't think there is any way in which we can reduce the commitments that we have around the world if we wish to keep our peace and our freedom.

I think it is essential that those commitments be funded and financed if they are to have any meaning and if they are to operate as we want them to operate, which is as a deterrent to any kind of war.

There is, as you say, Senator, a mismatch between the two. I have repeatedly asked what commitments we should give up, whether we should give up our commitment to defend the continental United States, including the Caribbean, or whether we should give up our commitment to defend NATO or whether we should give up our commitment to defend the Far East, Japan, and Korea, or the Mideast, and its oil fields, and Israel.

What is it we should give up? No one as yet has given me an answer.

Senator **Humphrey**. Allow me if I may. We have had an ongoing fundamental problem here. This is not the only year it is going to be a problem. It will be a problem next year and the rest of this decade as far as we can see.

The American people, for whatever reason, wise or unwise, are unwilling to adequately fund defense. If we are going to get out of the situation which results in false economies and results in a fundamental problem of mismatch, which is overextension of our Nation in terms of its commitments, I would like to suggest that Europe will not go undefended if we reduce our force levels.

I think we must begin to focus on that way of addressing the fundamental problem which exists today and is going to exist for a long time to come.

Secretary **Weinberger**. There I am afraid I have my first major disagreement with you. I don't think we can give up any of these commitments. I don't think they are altruistic commitments to defend Europe. It is the best way and only way we can defend the United States.

You can do that by forward defense or you can do it by trying to rely on fortress America that never was and never will be.

I, for my part, think we are far better off if we try forward defense. If we recognize we have these commitments; and instead of trying to blind ourselves to the conditions that require us to have these commitments, we get about the business of funding the necessary resources to deal with them.

You can't make the commitments go away by not funding them. You can only increase your danger. We did not make this world. We did not make the conditions that require us to have these commitments, but they are there and they are induced by the Soviet military power and its growth and their obviously offensive approaches to things.

It is vital that we recognize that and we do something about it. We can't do it by canceling out commitments and hoping that we can stay home while Europe defends itself.

Europe's defense is an important part of our defense. If Europe is overrun, we could not defend the United States. We are not over there to protect Europe and NATO. We are over there to protect the United States.

I don't know of any of these commitments that can be given up safely if we are still interested in maintaining peace and freedom.

Senator **Humphrey**. I think we need to take a hard look at that. That is one alternative. That is for the President to be more visible and forceful in defending our programs so that the American people correctly perceive the correctness of these programs and their size in comparison with the Federal budget.

I don't think we are spending too much, but the American people perceive we are.

Secretary **Weinberger**. I think the President has done everything he possibly can to do it. You have to bear in mind, Senator, he has gone to even more meetings than I have with members of the congressional leadership and the people who do the voting.

They tell him in meeting after meeting the votes are not there. When I say the votes are not there and I ask is it because they are not planning to vote for it, the answer is yes.

Then you have to recognize the fact if we do have a budget passed, we do have to make what is considered by the Congress to be the highest priorities to make some reductions in the deficit. That is what we are doing.

I don't see how anyone can be more effective than the President in presenting to the American people the vital security needs of this country and in submitting to the Congress the amounts that he and I think are essential to meet them.

Chairman **Tower**. However hard he has tried, he has not succeeded.

Senator Levin?

Senator **Levin**. Thank you, Mr. Chairman.

Mr. Secretary, you indicated these cuts are neither desirable nor necessary. I happen to agree with you that many of these cuts are highly undesirable.

We continue to underfund conventional capability, to short change conventional capability and make the cuts in conventional capability while we fence and protect every new weapon system, including the MX missile which everybody vowed we would never deploy unless we could make sure that it was survivable.

So, there are some major differences in priorities which I am sure will be debated by the Senate and the House as the weeks unfold.

There are some systems that we ought to cut. I mentioned one.

As you know, in the past I have had differences with you on priorities in terms of how many new strategic bombers we ought to have, whether or not it makes sense to be building chemical weapons when they can't be stored on European soil, and a number of other areas and I think we ought to reform our procurement system a lot faster than we are so that we can cut down the cost of the many items we buy.

So, we will have differences on priorities.

Basically it seems to me that the question is not whether we are going to cut again, it is where we are going to cut. My questions are really process questions because I have not had a chance to go into each one of these proposed cuts.

I presume when the President agreed with the Republican leadership to cut—what was it, $13.9 billion——

Secretary **Weinberger**. Yes.

Senator **Levin** [continuing]. That he agreed that those cuts could be safely accomplished?

Is that a fair statement?

Secretary **Weinberger**. I think, Senator, you have to look at the degree of reluctance with which the President reached his conclusions.

You have to look at his letter that came in this morning and said these cuts are only recommended as part of a three-part package, which in his opinion should be enacted. He is saying here also; I had a chance to read this while you were out of the room, and I will be glad to do it again.

> All should understand that these reductions will add to future costs and will delay somewhat the achievement of needed improvements.
>
> These reductions are only agreed to by me on the expressed condition that the other two parts of the compromise package be enacted.

Senator **Levin**. I understand that.

My question is: Did the President agree, under whatever conditions, that this $13.9 billion figure could be safely accomplished?

Secretary **Weinberger**. "Safely" is a matter of assessing risk. The President says the risk is increased by doing this. We will simply hope that the risks that are increased will remain increased risks and not reality.

Senator **Levin**. You say further cuts would endanger the security of the United States and we have heard that each year from you that any cuts we make will endanger the security. The Congress has made cuts each year, I believe, in the budget. You say further costs would endanger the security. You said that again this morning beyond what the President recommended.

Do these cuts endanger the security of the United States?

Secretary **Weinbergr**. To some extent. The President says: "I strongly believe any further reductions would be counter to our national security interests and could not be accepted."?

Senator **Levin**. Are these cuts counter to our security?

Secretary **Weinberger**. As the President has said, and as I have said, the proper amounts for dealing with the national security interests, Senator, were those that were submitted in our budget after a $16 billion cut made it right down at the margin. That was $305 billion.

Nobody would enact that amount and everybody, including yourself, made many statements about how it was outrageously high and it could not be possibly enacted.

The President then said in order to get a budget enacted, we will have to accept further risks and those further risks are before you.

If you feel they constitute risks that you aren't prepared to take, then there is a very easy path open to you.

Senator **Levin**. You folks very readily say if we cut one penny out of your proposal, we endanger national security. You come every year and say that.

Secretary **Weinberger**. That is because I cut so much before I come in.

Senator **Levin**. You say every year when you present the budget if we cut $1 out of this, we are endangering national security. It is year after year. This year you say the same thing. "If you cut one penny out of this, you are going to endanger national security."

Now, you make a $13.9 billion cut. My question is: Has the President agreed to cut money which endangers national security?

Secretary **Weinberger**. The President sent to you a budget he wanted enacted on February 1. You and others said you would not enact it.

The President, therefore, has responded by saying that programs that he regarded as essential will have to be delayed and that delay not only costs more, but adds to the risk.

We simply hope the risk will not turn into reality.

Senator **Levin**. Obviously, everything we cut adds to the risk.

Has the President agreed to something which endangered national security?

You said in February:

"If you cut one dollar, you endanger national security."

Has the Republican leadership or the President agreed to something which endangered national security?

Secretary **Weinberger**. The President has agreed because he cannot get any support on either side of the aisle for the types of budgetary proposals that we think are required and are the most economical and efficient way to repair the damage done by many, many years of neglect of national security interests.

The program that is before you is a program which takes a longer time and thereby adds to the risks and costs and, therefore, is more undesirable. As the President said, it is linked inextricably to other parts of the program to reduce the budget since the Congress made clear to him reduction of the deficit is a more important priority than anything else.

Senator **Levin**. It seems to me you are not giving me a direct response to my question.

The President agreed to a $13.9 billion cut. I would like to know how you arrived at that figure that he agreed to?

Was that something that you added up all the cuts that you would forward and accept?

Secretary **Weinberger**. No; we had to start from that figure that was given to us and work down.

Chairman **Tower**. If the Senator will yield, I think I can respond to that question since I was part of the negotiating team.

That was a figure that was set because it appeared that this was the best way to arrive at the so-called three-legged stool. That way was to take equal amounts of increased revenues, cuts in nondefense spending, and cuts in defense spending.

That is where the figure came out. It seemed to be a figure that was politically saleable. It is not a figure that I feel comfortable with, but let us remember that the Congress mandated, not by formal action, but by political action, virtually mandated the President to reduce the defense budget and accept the risks that are entailed by that reduction.

It was not the President's initiative. It was congressional initiative and I think that should be made plain.

I think it would be very clever to elicit some sort of statement that the President agreed to something that endangers the national defense. It is a good headline. It is a fact that is not the way it happened.

Senator **Levin**. Do you think you can cut $13.9 billion without endangering the national security?

I think the President would not agree to it if it did. The point is that you have already proposed cuts of $13.9 billion which the President feels do not endanger the national security 2 months after you came here and said: "If you cut $1, you are going to endanger the national security."

Secretary **Weinberger**. We are only here because we are mandated to do so. We are only here because of the need to get a budget adopted, as the chairman said, and we are here without any slight suggestion that these are easy cuts to make or that they don't impair the national security and add to the risk.

They do add to the risk. The President knows that. He has said that and I have said it. It is a risk that the Congress has mandated that he take.

Senator **Levin**. Mr. Chairman, as to how the $13.9 figure was arrived at, is it fair to say to the Secretary that this was not arrived at by looking at where cuts could be safely made, adding them up and coming out at $13.9 billion?

This was a politically arrived at figure?

Chairman **Tower**. That figure, I would say, was not made based on preconceived notions of what could be cut, just like the various proposals that have been on the Senate floor are not based on preconceived notions of what should or would be cut.

I don't think the Congress would face up to the responsibility of doing that. Instead Congress takes the meat-ax approach, cut it and let somebody else worry about where the cuts come from.

So, it is an arbitrary figure pulled out of the air. That is what we are looking at.

Senator LEVIN. Would the Secretary agree that the $13.9 billion figure that the President agreed to was an arbitrary figure pulled out of the air?

Secretary WEINBERGER. We responded to the mandate which was that we bring our total down to $291 billion. If you bring the total down to $291 billion, it turns out to be $13.9 below the $305 billion.

Given that figure, we then went back to work and have presented you with the result this morning.

Senator LEVIN. Would you agree with the characterization that the President did agree to an arbitrary figure pulled out of the air?

Secretary WEINBERGER. No; I am not going to give you silly headlines like that, on what I would agree to.

Senator LEVIN. I think it is significant. I wonder if I can get an answer to my question?

Chairman TOWER. Let us have order.

Senator, I think I answered that question. I said it was shaped by the fact we are trying to come up with equal amounts of increased revenue, decreased domestic spending, and decreased defense spending. That is the way it came out.

I suggest to you that some of the figures presented on the floor for defense reductions are arbitrary figures pulled out of the air.

Senator LEVIN. I wonder if I can get the Secretary to answer my question, Mr. Chairman.

Let me rephrase the question. I have been interrupted a couple of times. I do think I have a right to have this question responded to.

The President apparently agreed to a figure of $13.9. I wasn't there. I don't know who opposed it. Obviously, as the chairman said, it wasn't the President's initiative. I will accept that.

Whosever initiative it was, the President agreed to the figure of $13.9 billion before he knew where the cuts would fall.

Is that a fair statement?

Secretary WEINBERGER. The President accepted the statements of the congressional leadership that this was the amount that would be necessary to secure an agreement to an overall deficit-reduction package including defense and nondefense cuts and closing of some loopholes with respect to the cut increases.

Since you, yourself, said you don't believe this figure impairs national security, I don't really see the point of pursuing it.

Senator LEVIN. Mr. Chairman, could I just get an answer to the question?

Did the President accept that figure before he knew where the cuts would fall?

Secretary WEINBERGER. The President accepted that figure at the time it was proposed by the Senate leadership and at that time we did not know the recommendations that we would make. We have those recommendations and they are before you now.

Senator LEVIN. Thank you, Mr. Chairman.

I do have other questions for the record.

Chairman TOWER. Senator Cohen?

Senator COHEN. Mr. Chairman, I have a telegram here from Luke Air Force Base which says:

"Senator Goldwater, please call home." [Laughter.]

Mr. Secretary, with reference to your statement about looking to the leadership which you made in response to Senator Nunn's opening remarks and listening to what they had to say, I agree entirely.

General Gabriel has testified he would not recommend that we develop antisatellite weapons with high-altitude capability. He said that before the House Appropriations Committee in February.

Secretary WEINBERGER. I did not see the context in which he said it, whether he was referring only to the fiscal constraints of this year.

The Soviets have an antisatellite capability. As far as I know, General Gabriel is in full agreement that we should continue to try to make sure they are not the only one that possesses that capability because our deterrence against their using it would be seriously eroded.

Senator COHEN. For the record, would you provide a statement as to the amount of money for the ASAT program or SDI or what we have in there for the research and development?

Secretary WEINBERGER. There are two very different programs. We will be glad to supply both.

[The information follows:]

STRATEGIC DEFENSE INITIATIVE

[In millions of dollars]

	Fiscal year 1985	Fiscal year 1986
Strategic defense initiative:		
Surveillance, acquisition, tracking, and kill assessment	721.0	1,491.2
Directed energy weapons	489.0	1,020.0
Kinetic energy weapons	356.0	870.3
Systems analysis, battle management, and command, control, and communications	99.0	137.5
Support programs: vulnerability and survivability, space power, space logistics	112.0	270.8
Strategic defense initiative total	1,777.0	3,789.8
Antisatellite:		
Miniature vehicle	143.3	101.7

Senator COHEN. Second, General Gabriel and Secretary Orr have testified before our committee they believe it would be in our interests if we negotiated control of maneuvering reentry vehicles.

Secretary WEINBERGER. If you can negotiate a verifiable agreement on any reduction, it is to our interest. It is difficult to do that when the Soviets refuse to enter the room where the negotiations are conducted.

Senator COHEN. Have we not proposed that we negotiate on MARV's?

Secretary WEINBERGER. That would certainly include that. There has never been any refusal to discuss that or anything of the kind except by the Soviets who refuse to discuss the whole issue.

Senator COHEN. If we resume negotiations, the administration is committed to seeking constraints and controls on MARV's?

Is that a fair statement?

Secretary WEINBERGER. I don't have any idea what specific proposal should be made, Senator. I am not prepared this morning to indicate areas of discussion without adequate consideration within the administration and what effect it would have on our own national security.

I certainly know that we have been more than forthcoming in those negotiations and we changed our START proposals 10 times unilaterally in response to the consistent and persistent demands that we be more forthcoming to the Soviet wishes in order to get some kind of agreement.

At that point they walked out of the room.

Senator COHEN. Do you agree that we should seek to negotiate controls on MARV's?

Secretary WEINBERGER. I think we should agree to negotiate reductions in all weapons, strategic and conventional. But, they have to be thoroughly verifiable and they have to be real reductions. I would include everything in there, including the MARV's and everything else.

They have to be verifiable. They have to be real reductions. They have to leave us at levels where we can maintain our deterrence.

Senator COHEN. A number of administration witnesses, including General Abrahamson, have come before the committee to testify that by developing an antiballistic missile system, we would induce the Soviets to make reductions in their offensive nuclear forces.

Do you agree with that statement?

Secretary WEINBERGER. I would like to see the full statement. I think that it is essential that we develop a thoroughly reliable strategic defense for a number of reasons.

It is one of the ways you can protect people rather than avenge them.

Another is that it is better to have a system that destroys weapons instead of people.

The third is that the Soviets themselves are working on this and have been for a long time. They have obtained a certain advance in this whole field and it is vital that we not let them get such a system first.

From every point of view it is essential that we continue to work on it as we are. I know that General Abrahamson shares that view.

Senator COHEN. Perhaps Senator Nunn might clarify my recollection of it.

As I recall, General Gabriel did indicate one of the underpinning rationales for moving to an ABM system would be that the Soviets would make a reduction in their offensive force.

I raised the question at that time because the Hoffman panel, which was commissioned by the Defense Department to analyze policy issues on the SDI program, concluded while the Soviets may reduce their long-range offensive threat, they will be more likely to respond with continuing buildup of long-range defensive forces.

The second point I wanted to raise is that we are being told by a number of administration officials that the Soviets, such as you, yourself, here today have reiterated, are well along in developing an effective ABM system.

Dr. DeLauer and Dr. Ellis, I believe, have testified the Soviets are 10 years ahead of us in developing systems in this area.

Today you have indicated they have been working on it for a long time, since 1967, and they have made substantial progress.

If this is the case right now, why should we not be facing counterpressures to reduce our own offensive system if the rationale for us to go to the ABM system is that the Soviets will then have an incentive to reduce their offensive system and if they are 10 years ahead of us in producing an ABM system, why is there not counterpressure on us to reduce our ABM system?

Secretary **WEINBERGER**. First, we don't have the strategic defense initiative yet. Fortunately neither do the Soviets. They have spent a great deal more time and money and effort on it than we have.

Second, until we can get it, it certainly is not safe for us to leave the imbalance that exists in our strategic forces. That is why we have to protect this particular set of programs.

We should have modernized and strengthened the triad all through the preceding years, but we did not start on it until 1981. We are now well along on the program that won't be finished until 1989. The Soviets have not paused.

They are now testing and are getting ready to deploy the SS-23, 24 and 25, all those later generations of missiles including a mobile intercontinental ballistic missile.

I certainly don't feel, with the responsibilities that I have, that it is safe for us to stand around and not take the necessary steps that take such a long time to complete, hoping some day they are going to agree to a verifiable, effective reduction of arms.

I would like very much to see them do that, but I would have to say that their motives are interpreted pretty freely by a number of people. It always seemed to end up by their producing more weapons, more modern weapons, stronger weapons, and stealing our technology to do so.

While they do that, I certainly would like very much to get arms reduction agreements that are verifiable. We will be delighted to spend all the time and effort and patience necessary to do that, I don't think that we can during that time do nothing about regaining the strength that we should have and should have had.

Senator **COHEN**. The only question I have, and I am not disagreeing with some of the statements you have made, if we don't know where we want to go, then the expression "Any road will get you there."

The question really has to be what is the conceptual underpinning of our development of these systems?

Where do we want to go and does it make sense for us to start along the road simply because the Soviets are halfway or part way there, if we don't know where it is taking us?

Secretary **WEINBERGER**. It makes a great deal of sense to comment on the danger that happens if we don't. I have to take strong exception to the statement we don't know where we are going.

We know where we are going, but we are having trouble getting the necessary funding to do it.

Senator **Cohen**. The statement made by General Abrahamson was that we expect by these new systems, they will have an incentive to reduce. I can't square that with other statements.

Secretary **Weinberger**. We don't know whether they will or not. What we have to do is get a sufficient degree of strength so that they will be deterred from making attacks on us. The longer we delay that—and debating MX for 12 years is a good way to delay things—the longer we delay that, the more apparent to them that they don't need to go into negotiations if they can achieve the reduction they want unilaterally by simply refusing to negotiate.

We hope they will negotiate. We know precisely where we are going in trying to regain the deterrent strength not superiority, that we once had. At the same time we are trying to develop a system that is a thoroughly reliable defense against theirs while trying to bring them into negotiations that will lead to effective and verifiable and real reductions in arms, not just agreements of the kind they want and are willing to sign without any negotiation. Typically these are agreements that allow them to expand at the rate and in a way in which they plan to do anyway.

Senator **Cohen**. General Vessey, were you going to answer? I turned away from you.

General **Vessey**. I think, Senator, you point up one of the anomalies in this exercise.

Strategic defense, certainly limited defense, does not provide any incentive for the other side to limit their warheads. It causes them probably to increase their warheads to try to overwhelm defense whereas if you get a broader defense that can point out that they probably will lack success in achieving an attack, then there may be incentive for reduction.

It seems to me the right strategy for the United States is to pursue the search for the broader defense, at the same time pursue reductions in overall armaments, nuclear armaments for both sides, because that also helps the defensive aspect, and under the overall objective of achieving a more stable world with the idea that the Soviets do want to achieve a stable world.

If they don't want to achieve a stable world, then we have a problem.

Senator **Cohen**. Thank you, Mr. Chairman.

Senator **Nunn**. I think the Secretary might want to correct this for the record.

Mr. Secretary, you said we didn't begin to modernize our strategic triad until 1981.

Do you really mean that?

Secretary **Weinberger**. I meant sufficiently because I know there were improvements made in the warhead of the Minuteman III, but there was not a sufficient modernization during that period of time.

We were faced with the necessity of strengthening and modernizing all three parts of the triad at once when we came in.

Senator **Nunn**. That kind of statement is what makes it so difficult to get any kind of continuity of strategic programs in the military budget and any kind of bipartisan consensus that can sustain more than one administration.

Every year the administration has to act as if it has discovered all these perils and nothing was ever done before.

The air-launched missile was not started under this administration. That was started in 1977 or even before.

The MX missile was not started in this administration. As a matter of fact, any hope of survivability of the basing mode was ended in early stages of this administration.

The D–5 Trident II was not started in this administration.

The Trident submarine was not started in this administration.

The advanced technology bomber was not started in this administration.

The B–1 bomber was.

I just think if we are going to have hope of sustaining a program of arms control, to have the Secretary of Defense make a statement like that undercuts everything we in this committee and those of us who work for bipartisanship in the defense area try to do.

I would hope you would correct that in a vigorous way for the record.

Secretary **Weinberger**. Senator, the Trident submarine was 22 months late when we came in and there was no immediate prospect of being deployed.

The B–1 was canceled in 1977.

As far as the advanced technology bomber was concerned, there had been a concept, but nothing further done.

There had been no developments of the kind that would bring strength to the strategic triad programs, except for some proposals.

What I am saying is I am perfectly willing to concede that the MX was started and has been, as I said several times this morning, debated 12 years. That was before we came in.

What we have to do is get the funding in the budget and bring these programs to fruition.

Senator **Nunn**. President Nixon started the Trident submarine.

President Ford started the air-launched cruise missile.

This is not a Democrat or Republican question. I think as long as you continue to approach it that way, you are weakening very much the case of bipartisanship in national security.

I say that in all due respect. You are not helping your case.

I am going to try to support you despite some statements that depart from any history. That is revisionist history.

We have had a lot of problems before you came in. Your administration has done a great deal to help correct those problems, but to make a statement that there was nothing being done to modernize the triad departs from anyone's reading of history.

That hurts in this institution any effort to sustain any kind of support.

Chairman **Tower**. Senator Bingaman?

Senator **Bingaman**. Thank you, Mr. Chairman.

Mr. Secretary, let me ask you about some of the $13.9 billion that you indicate are going to be cut here.

I notice $1 billion of that is what is referred to as financing charges, recalculation of financing charges.

I just wonder what has happened in the last 3 months to persuade you that we will be able to save $1 billion in fiscal year 1985 on interest rates from what you had thought we would save at the end of January when we received the budget?

Secretary **Weinberger**. These are not financing charges. These are what are generally called financing adjustments. They are transfers that we will propose to include in the 1985 act as appropriation language transfers.

They are available for a couple of reasons. There is $300 million which comes from various savings and lower priority, prior year programs, savings that we have been able to make in some of those programs.

Congress has moved from indefinite to definite appropriations in procurement and RDT&E and construction.

We experienced some level of lapses as a result of appropriations. It being enacted for a definite period of time and where we have some available funds from those previous years, we would ask to transfer them to enable us to do the things we need this year without getting additional budget appropriation.

That is essentially what we try to do. This is a management effort that we are trying to make that will enable us to use more efficiently the amounts previously appropriated.

We believe that we can transfer from the 1983 and 1984 financing about $700 million and that with the $300 I mentioned a moment ago we will be up to this amount.

Essentially what it is is not financing savings. It is financing adjustments in the sense of moving some of the unused authority from previous years into this year, enabling us then to use that authority this year and, therefore, to seek less from the Congress.

Senator **Bingaman**. Let me ask about a few other items.

I notice you have about $360 million in what you refer to as fuel adjustments.

Secretary **Weinberger**. Yes.

Senator **Bingaman**. That presumably indicates you expect to spend less on the same amount of fuel?

Secretary **Weinberger**. That is correct. We hope that the price will stay down as it is now.

As you will recall, last year we were able to make recommendations to the Congress for savings because the price of fuel went down from that amount that we had been given as an estimate when we made up last year's budget.

The same thing has happened this year. We don't know with a degree of certainty, but we believe that the predictions are probably correct and we can save some money and these are sums that we certainly would not ask to be appropriated because we believe we can get the same amount, as you pointed out, at lower cost.

Senator **Bingaman**. Let me ask about the currency fluctuations.

I see an item of $475 billion you are going to pick up by currency fluctuations and another $165 million you are going to pick up by the currency improvements that we get out of our funding of the NATO infrastructure.

Secretary **Weinberger**. That is right. These are items that we would purchase abroad.

As you know, the dollar has been very strong. We are looking at the predictions that we are getting from other elements of the administration as to what the dollar will do in subsequent months.

We believe it is safe to predict that we can make the purchases that we need at lower cost because of the strength of the dollar.

Senator BINGAMAN. Let me ask about the U.S.S. *Missouri* acceleration.

As I understand, what that is that you would pick up about $422 million by reprogramming that activity for the 1984 budget. So, you would really be accelerating expenditure on that program instead of deferring it?

Secretary WEINBERGER. Taking it out of 1985; that is correct.

Senator BINGAMAN. Let me ask about the KC–10 repricing.

I see you are going to pick up $18 million there.

That is not just because you have a different figure as to projected inflation?

Secretary WEINBERGER. I will have to get the answer for you. I don't have that before me, Senator. I don't want to give you an answer that is not accurate. Let me get that and supply it to you.

[The information follows:]

KC–10 REPRICING

The KC–10 adjustment of $81.0 million is only related to the reassessment of the inflation assumptions included in the budget submission. The KC–10 multiyear contract requires the use of specific Bureau of Labor Statistics indices to determine the amount to be paid for the impact of inflation during the execution of the contract. The Air Force has recomputed the specific inflation requirements associated with this contract in terms of historical and predicted performance of the specific indices in question and has determined that $81.0 million is excess to the program as submitted in the President's budget.

Senator BINGAMAN. The items that I have mentioned come up to about $2.5 billion.

Is it fair to say that at least that $2.5 billion is not a real cut in programs in the sense that you are going to buy fewer of something or defer buying something, they are really just accounting changes that you are making based on your new information?

Is that accurate?

Secretary WEINBERGER. I would phrase it differently.

I would say that they do not have immediate impact on programs. They are estimates for the most part.

We believe that conditions warrant the changed estimates, but if the estimates should be wrong, as occasionally they are, we would need the items covered by them and we would have to come back in and request supplementals for them.

But we believe it is proper and safe to accept these estimates and that they will result in nonprogrammatic reductions of this amount.

Senator BINGAMAN. So that if your present information is accurate, you don't see at least this $2.5 was involving any cut in programs?

Secretary WEINBERGER. These are nonprogrammatic cuts, part of the $13.9.

We searched for as many of them as we could find because we don't want to injure programs if we don't have to.

Senator BINGAMAN. Is it possible to supply the committee with a complete list of the nonprogrammatic cuts that you have in the $13.9 billion?

Secretary **Weinberger**. Yes, we can do that.

Senator **Bingaman**. It would be very useful.

[The information follows:]

Nonprogrammatic reductions

	Millions
Operation and maintenance	$1,218
Foreign currency fluctuation	500
Fuel pricing adjustment	358
Stock fund pricing	235
Claims, defense savings	20
Depot maintenance workload carryover	80
CADIN-Pinetree phase out	11
Other	14
Procurement	1,176
Trident I missile	5
Potential cost growth for ships	187
U.S.S. *Missouri* acceleration	423
Government furnished equipment contract savings	150
LVT-7 Marine Corp landing craft contract savings	19
Light armored vehicles support	32
Competitive fighter engine savings	260
Inertial upper stage adjustment	19
KC-10 aircraft repricing	81
Research and development: Fuel pricing adjustment	4
Military construction/family housing	836
Application of prior year savings	359
Incremental vice full funding of selected projects	393
Repricing of fiscal year 1985 program	80
Fuel pricing adjustment	4
Subtotal	3,234
TRANSFERS FROM PRIOR PROGRAMS	
Procurement	634
Aircraft procurement, Army 1984-86	30
Missile procurement, Army 1984-86	13
Procurement of W&TCV, Army 1984-86	87
Procurement of ammunition, Army 1984-86	44
Other procurement, Army 1984-86	18
Aircraft procurement, Navy 1984-86	75
Weapons procurement, Navy 1984-86	20
Shipbuilding and conversion, Navy 1984-88	100
Other procurement, Navy 1984-86	86
Aircraft procurement, Air Force 1984-86	131
Missile procurement, Air Force 1984-86	15
Other procurement, Air Force 1984-86	15
Military construction	160
Military construction, Army 1984-88	80
Military construction, Navy 1984-88	80
Family housing: Family housing construction, Army 1984-88	20
Subtotal	814
Total DOD	4,048

Senator **Bingaman**. Let me also ask on a different subject.

I think in one of your answers to, I believe, Senator Stennis perhaps, you made reference to the actions or activities of the National Guard units in Costa Rica.

Could you specify what activities they are engaged in this spring and summer in Costa Rica?

Secretary **WEINBERGER**. Yes; I can get that for you in detail.

In general they are engineering battalions and they are doing exercises in that country, with their permission and approval.

General Vessey tells me that the final plan eliminated Costa Rica.

General **VESSEY**. I wasn't sure whether you are talking about future or present activities.

Senator **BINGAMAN**. As I understood the Secretary's comment, he said there were activities going on this spring and there were more planned.

General **VESSEY**. That is not correct.

The Government of Costa Rica is still working with the Southern Command in the direction of planning future exercises, but we don't have exercises in Costa Rica.

Senator **BINGAMAN**. There has been no exercise and there is none planned; is that what you are saying?

General **VESSEY**. There has been no exercise in Costa Rica is what I am saying.

The Government of Costa Rica has been in touch with the Southern Command with the idea of perhaps having an exercise in Costa Rica. That is something which has been on again, off again.

I can't tell you exactly what it is.

Secretary **WEINBERGER**. We don't go anywhere where we don't have an invitation.

I was mistaken. I thought the negotiations were completed.

Again, we don't go anywhere where we are not invited.

Senator **BINGAMAN**. Thank you.

Chairman **TOWER**. Senator Jepsen?

Senator **JEPSEN**. Thank you, Mr. Chairman.

Secretary Weinberger, your statements have indicated that the Department gave relatively high priority to retaining manpower initiatives in these budget reductions.

As chairman of the Manpower and Personnel Subcommittee, I appreciate that. I have, along with staff, been scrambling this morning trying to digest the material that we have just been given.

I recognize that the issue of the amount of the military pay raise might be subject to some debate and a raise in some amount of less than 5½ percent might result.

My question is: If the military pay raise is less than 5½ percent, are there other personnel programs that should be funded at higher levels in order to offset any adverse effect from the cut in the pay raise?

Should we consider additional funding for enlistment and reenlistment bonuses, in your judgment?

I know that both enlistment and reenlistment are either at or have exceeded an all-time high. I am pleased and share that good news with you.

We have some warning signs. I was wondering if you would comment on whether you feel there might well be an additional funding for enlistment and reenlistment bonuses?

Secretary **Weinberger**. Generally, Senator, the personnel picture in the military is extremely bright at the moment. We are getting very fine results in recruiting and retention and in the quality of people coming in and staying in.

We, therefore, try to make as few reductions as possible in the military personnel items. It is $53 billion in the original submission.

We recommended reducing only about half a billion dollars from that. We do hope that the pay increase goes through as recommended.

We recommend some reductions in the Army selective reelistment bonus. While we recognize that it may make it somewhat more difficult for the Army to sustain the improvements that they have achieved, we recommend a small reduction there.

The House Armed Services Committee recommended a substantial reduction and we hope that is not finally approved.

Senator **Jepsen**. I thank you.

I have nothing else, Mr. Chairman.

Senator **Warner** [presiding]. I turn to Senator Quayle.

Senator **Quayle**. Thank you, Mr. Chairman.

Mr. Secretary, after listening to all of the discussion, I am impressed with where you are going to achieve reductions. Still, there seems to be some resistance to cutting individual programs, particularly in the area of procurement.

I suppose the old adage of "cut out any procurement programs, but don't touch mine" applies. That is always the dilemma we find ourselves in.

I think it is important that the committee hopefully stays within the guidelines you have put forth today, the $123.9 billion in total reductions, 62 percent of which is a proposed reduction in procurement.

I believe that we have to take a hard look at the procurement budget. That is the one that is growing most rapidly, and that is the one that we have to get a handle on.

I don't think I need to reiterate the reality of scarce resources that we are going to have in the future for national security and the functions of the Federal Government.

I think, Mr. Secretary, you have certainly, as a matter of balance, at least attempted to go in the right direction. I certainly hope that this committee will stay within your parameters and guidelines when we look at where we ought to be making reductions.

It is so easy to slide over to the O&M account. You are talking today about a less than 13 percent total reduction in the O&M account.

I hope that as this committee moves forward, Mr. Chairman, we keep our percentage cut balanced. We may want to change the mix a bit.

I think the way Secretary Weinberger has struck a balance is something we ought to follow.

Mr. Secretary, I have a question about the issue of accuracy. It has been debated and as to whether there is a tendency to cut some of the terminal guidance systems.

I wonder if you might give us your statement on priorities on the issue of accuracy. I am increasingly of the opinion that the more accurate we can have our missiles, the less reliance we will have on using high megatonnage, and that if you can enhance accuracy, you may be able to look at more mobile and survivable strategic missiles in the future.

As Secretary of Defense, I wonder if you might relate to us your philosophical commitment and understanding of where we ought to be going regarding the issue of accuracy in our strategic missile force?

Secretary **Weinberger**. Yes, sir. I think it is very important that we improve and increase our accuracy. It is an essential part of our credible deterrent. It is an important feature of the MX. It is an important feature of the D-5.

It is vital that we do emphasize and concentrate on accuracy. Our first tests of the MX have been extremely encouraging in that connection.

The Soviets, as you know, have made very great improvements in their accuracy and a large part of this has come because of their taking our technology to improve their guidance systems.

We are trying our best, both with respect to the cruise missile and the advanced cruise missile and all the others, to secure a degree of accuracy that will be a credible deterrent.

I am afraid that over the years we have not done what we needed to do and I think it is important that we now address that. That is what we are trying to do.

Senator **Quayle**. You do believe that this should be a high priority?

Secretary **Weinberger**. Yes.

Senator **Quayle**. And can it be used as far as arms control on certain weapon systems?

I see General Vessey is nodding approval.

General **Vessey**. It is absolutely key. Certainly it is key in making your force appear to be effective to the other side, particularly the Soviets, as they have continued to harden the targets.

As targets get harder, you get two choices. You either increase the yield or increase the accuracy.

When you increase the accuracy, the ratio is about 1 to 4. That is to say, if you have the right combination on the target, you can reduce the probable error in accuracy, you can reduce the warhead yield probably by four.

Accuracy is important, whether conventional weapons or nuclear weapons.

Senator **Quayle**. Could you submit for the record a listing of the programs that are in your budget right now that go to the improvement of accuracy for strategic and cruise missiles?

I am thinking of the larger generic programs and I am also thinking of some of the smaller programs in research and development.

It is an issue that I am very much interested in. I know both of you are. I think if we can get a listing and understanding of the ongoing programs, both of the ones that are being deployed right now, and the ones looking into the future, that it would be useful.

If you would, could you give us such a listing?

Secretary WEINBERGER. I will be glad to do that. It will include cruise missiles and others.

Senator QUAYLE. Also some of the research programs you anticipate in the future as well.

Secretary WEINBERGER. Right.

[The information follows:]

PROGRAMS FOR MISSILE ACCURACY IMPROVEMENT

There are no programs in the budget right now specifically for the improvement of accuracy for missiles. Accuracy improvement work is normally one integral part of system development, so there are a number of efforts in this area now underway in specific programs. In the strategic area, these efforts include:

Cruise Missiles.—Some work is now underway in the RDT&E portion of the ALCM (AGM-86B) program to upgrade the current inertial navigation system as a potential downstream modification. Improved accuracy techniques are also being worked—both inertial and scene matching technology—as a part of the Advanced Cruise Missile (ACM) program.

Sea Launched Ballistic Missiles (SLBMs).—Accuracy improvement for SLBMs was performed in the programs under an Accuracy Improvement Program task. Within the AIP effort, a thorough investigation was conducted to determine the error contributions made for overall SLBM accuracy by each subsystem source (e.g., navigation, fire control, guidance, etc.). The results of this work were integrated into the Trident I (C-4) and Trident II (D-5) programs. Right now there is an effort within the Trident II (D-5) program to improve warhead accuracy and survivability through RDT&E on a maneuvering reentry vehicle (MaRV). Funding for this work was recently deleted by the HASC.

Land-Based ICBMs.—Several accuracy initiatives are currently funded within the ICBM modernization program. R&D is continuing on the Advanced Inertial Reference Systems [AIRS] which will be deployed on Peacekeeper in 1986. The AIRS is also the baseline system for the small ICBM; however, a research program has been to examine potential lower cost and lighter weight alternatives. The intitial flight tests of the AIRS have exceeded expectations. Research is continuing on improved fuzing for the MK-21 reentry vehicle. This fuze will have the effect of improving warhead effectiveness against the target. As part of the Advanced Strategic Missile Systems [ASMS] program research is now underway on terminal fix systems which could provide the accuracy necessary to hold at risk the next generation of Soviet hard targets. Unfortunately, the HASC has deleted $70M ($60M in the ICBM modernization program and $10M in ASMS) planned for the continuation of this effort and the testing of the associated maneuvering reentry vehicle [MaRV] in the 1985 budget. If this cut is sustained, the MaRV program will be terminated and the terminal fix sensor research will have to be sharply reduced.

Senator QUAYLE. Mr. Secretary, is it possible to distinguish between nuclear and conventional sea-launched cruise missiles for cruise control verification purposes?

Secrectary WEINBERGER. It is very difficult. I don't know at this point of any certain method.

Senator QUAYLE. You don't know of any certain method to verify that?

Secretary WEINBERGER. Not at the moment, no, sir.

Senator QUAYLE. Have the Soviets already deployed both a nuclear and conventional sea-launched cruise missile?

Secretary WEINBERGER. I don't know if I am able to discuss that in this kind of hearing. I will be glad to find out.

I can never remember what is classified and what isn't. I don't want to run over the line. I think it would be better if I gave you the answers to that in classified material, if that is indeed required.

Senator **Quayle**. I appreciate that sensitivity.

There has been some discussion—as a matter of fact, I think we had a resolution last year on the floor—on concerning a moratorium on the sea-launched cruise missile because of these verification problems. This is a major issue and is a concern to a lot of people.

I understand and appreciate your reluctance to explore it right now. Perhaps we can have a followup discussion, or at least you could give us further information. This issue is probably going to come up again. We are going to have to be able to debate it.

General Vessey, do you have any comment you wish to make?

If not, I will not push the issue in an unclassified hearing.

General **Vessey**. I think the Secretary is right. It is better to wait.

Senator **Quayle**. Very well. We would like to get some more information on this issue because we will have to debate it again.

I thought originally that it was a bad proposal at the time and I think it is still a bad proposal. I think we need to discuss this issue further.

I know there is some dispute going on and I think it is a significant issue for arms control.

Thank you, Mr. Chairman.

Chairman **Tower**. Gentlemen, I think that we all understand what a difficult exercise this is for all of us. I think it is an example of what happens when you try to size a military establishment to budgetary constraints rather than to perceive need.

It forces you to choose among validated military requirements and probably our members of this committee have different ideas or varying ideas about what our priorities should be.

I think the great difficulty for the Congress is to come up with a consensus of what those priorities are. It is our responsibility and it is one that we are going to have to face up to. This committee is going to be on the cutting edge of that.

I want to thank the Secretary for coming today. I know that this is not an appearance that he wanted to make and one that I must say I take no great joy in presiding over, but we have to look reality in the face.

We should have the best judgment of the Department of Defense as to where the reductions will come, now that it appears we are going to have a reduced ceiling below what was recommended by the President.

Mr. Secretary, and General Vessey, I thank you for your appearance today.

It is my intention to keep the record open until noon tomorrow so that Senators may submit additional questions for response in writing by the Secretary.

I imagine some of you would like to look over this testimony and this presentation and perhaps ask additional questions.

I think now, Mr. Secretary, we can excuse you and you may leave General Vessey behind, if you would, and we will get into the matter of his confirmation.

Secretary **Weinberger**. Thank you very much, Mr. Chairman. I appreciate the courteous hearing today.

[Questions submitted by members of the Senate Armed Services Committee follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND, ANSWERS SUPPLIED BY CASPAR WEINBERGER, SECRETARY OF DEFENSE

Senator **THURMOND**. Since our defense requirements do not go away, the delays and stretchouts caused by budget reductions will ultimately increase overall costs. Can you put a dollar estimate on the cost increase we will experience because of budget cuts?

ANSWER. There is no estimate of the total potential cost growth associated with the fiscal year 1985 budget revision. This is due to the fact that the compensating outyear adjustments have not been finalized. The required programmatic decisions will be made during the Summer and Fall Reviews and reflected in the fiscal year 1986 budget submission in January 1985.

Senator **THURMOND**. Would you give us your analysis of the recent Soviet exercises I described and relate them to our defense requirements?

ANSWER. From late March through late April, the Soviet Armed Forces conducted exercises involving strategic and general purpose forces. [Deleted.]

The basis for developing our defense requirements is the threat against our vital national interests and the national military strategy that deals with the threat. In this regard, it is the Soviet Union that threatens us directly and poses obstacles to the successful conduct of our foreign policy. Therefore, these exercises confirm our assessment of the unprecedented buildup of Soviet military power and their capability to conduct power projection operations. [Deleted.]

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER, ANSWERS SUPPLIED BY CASPAR WEINBERGER, SECRETARY OF DEFENSE

CAPTOR MINE

Senator **WARNER**. Mr. Secretary, the original budget request for fiscal year 1985 included funds for the procurement of additional Captor mines. Your revised budget request terminates this procurement program. What is the Navy's requirement for a capability to wage mine warfare?

Secretary **WEINBERGER**. The decision to offer termination of Captor as part of the President's program to meet lower fiscal restraints was based on affordability. The issue of Captor production in fiscal year 1986 and beyond is the subject of current review within DOD. This review includes a reexamination of the current Captor inventory objective of [deleted] mines and our ability to reach that objective in view of fiscal realities. SLMM and Quickstrike mine programs remain fully funded.

Senator **WARNER**. What is the Navy's inventory requirement for Captor mines? When was this requirement set, what was its basis, and how has Soviet naval strength changed since then?

Secretary **WEINBERGER**. The current approved inventory objective (I.O.) for Captor is [deleted] including [deleted] for maintenance pipe line and reseed. The requirement was set in 1980. The basis for the I.O. was to maximize the usefulness of a limited number of Captor mines by laying them in key open ocean sea lanes and choke points to control Soviet/Warsaw Pact submarine transits. [Deleted.]

Senator **WARNER**. What is the CNO's assessment of the U.S. Navy's offensive mine warfare capability? How does the Navy's inventory of Captor mines compare to the Fleet Commanders' total requirements for mines, and specifically Captor mines?

Secretary **WEINBERGER**. The Navy is making significant progress toward up-grading its mining capability, in both offensive and defensive categories. The Navy's offensive mines, Quickstrike and the Submarine Launched Mobile Mine, are in production and offer modern bottom mine capability through high speed-low altitude offensive delivery into heavily defended mining areas, and through standoff submarine delivery into enemy ports and choke points. Captor, the Navy's, and the free world's, [deleted] deep water open ocean defensive ASW barrier mine, is also being produced through fiscal year 1984 with subsequent production undergoing DOD review. Although designed as a defensive mine, Captor is the only current mine suitable for offensive minefields targeted against Soviet submarine operating areas. The Navy realizes that the threat is changing, as are Soviet/Warsaw Pact war plans. To fully counter the threat into the 21st century, a new generation of mines is being planned for development commencing in fiscal year 1988. The Navy is committed to achieving and maintaining modern, effective offensive and defensive mining capability today, and in the future.

After completion of the fiscal year 1984 Captor buy, the Navy will have [deleted] tactical Captor mines. The current inventory objective for Captor [deleted] tactical mines, a number which is under review for adequacy based on recent intelligence estimates.

Senator **Warner**. Are any of our NATO allies producing deep water mines at this time? Are there any alternatives to Captor for the deep water mine mission?

Secretary **Weinberger**. Captor is the Free World's [deleted] deep water ASW barrier mine in production or in development.

[Deleted.]

QUESTIONS SUBMITTED BY SENATOR GORDON HUMPHREY, ANSWERS SUPPLIED BY CASPAR WEINBERGER, SECRETARY OF DEFENSE

[DELETED] CONSIDERATONS

Senator **Humphrey**. Why is the Navy studying Soviet [deleted] warfare considerations?

Answer. As a result of extensive research, frequent naval exercises, and routine naval operations, the Soviet Navy has significantly increased its capability to operate [deleted]. To counter the increasing capabilities of the Soviet Navy [deleted] the U.S. Navy is continuing its own comprehensive program in this region. We cannot permit the Soviets a safe haven; instead we must ensure that the Navy is tactically capable of executing naval missions [deleted] oceans of the world to support U.S. National Strategy.

CAPTOR MINE

Senator **Humphrey**. Was the Captor mine scheduled to be tested to assess its ability to perform in under ice warfare? If so, why was this being considered?

Secretary **Weinberger**. The Captor mine is currently being tested for operational suitability [deleted]. The purpose of these tests is to determine the feasibility of using Captor to control Soviet/Warsaw Pact submarine activities [deleted]. The Captor mine offers high potential for use in such areas because of its long in-water life, deep water mooring capability, submarine deliverability, and large area of coverage for each mine.

Senator **Humphrey**. Is there now no reason to study Captor [deleted]. Is so, why?

Secretary **Weinberger**. The ability of Captor to work [deleted] remains of highest concern to the Navy. Implementation of Captor [deleted] testing is currently underway.

Senator **Humphrey**. What other ASW assets could effectively deter the Soviets [deleted].

Secretary **Weinberger**. Until we conduct the tests later this year and analyze the results in fiscal year 1985, we will not know [deleted].

Senator **Humphrey**. How will the Soviets' employment of deep water mines differ from U.S. employment? What are the current differences in overall mine inventory levels? What are specific differences in deep water mine levels and how does this reflect mission requirements?

Secretary **Weinberger**. The differences in overall deep water mine inventories will be addressed first. The United States has only one true deep water mine . . . Captor. The only other U.S. moored mines are the aging MK 56 and MK 57 mines which are limited [deleted] water depths. Applicable inventory levels of these mines are as follows:

Mine	IOC	Bottom depth—max.	Weight/ pounds	Quantity	Description
MK-56	1966	[Deleted.]	350	[Deleted.]	Magnetic influence, moored (air laid).
MK-57	1966	[Deleted.]	350	[Deleted.]	Magnetic Influence, moored (sub laid).
MK-60	1979	[Deleted.]	96	[Deleted.]	MK 46 torpedo, acoustic, moored (sub, air, surface laid).

Based on completion of delivery of the fiscal year 1984 procurement.

For comparison purposes, estimated inventory levels of Soviet deep water mines are presented below:

[Deleted.]

Senator **Humphrey**. How does the Captor deep water mine capability precisely limit the overall operational effectiveness of Soviet SSN's.

Secretary **Weinberger**. Soviet submarine operational effectiveness is limited by:

(1) reducing force levels with Captor kills,

(2) provoking delays in enemy submarine deployments,

(3) causing individual submarine commanding officers to operate in a "minefield awareness" mode rather than conducting a normal transit,

(4) [Deleted.]

(5) [Deleted.]

Senator **Humphrey**. How would this limitation be accomplished if Captor mines were not available?

Secretary **Weinberger**. Captor mines are available now. [Deleted.] If barrier operations are deemed tactically necessary at anytime during the conduct of the war [deleted].

Senator **Humphrey**. Without the Captor inventory objective being met, what is the cost of providing other ASW assets to restore equal effectiveness to ASW forces through fiscal year 1989? Enumerate each platform by number and cost in fiscal year 1985 dollars.

Secretary **Weinberger**. ASW is not just a problem of the effectiveness of one system versus another. Presenting an enemy with a multi-dimensional threat is just as important as buying more of a single weapon. Minefields, surface ships, submarines and ASW aircraft each become more effective when any or all of the others are present. Also, the effectiveness of each individual part varies with the location, environment, scenario, threat and desired probability of kill. This variable effectiveness plus the multi-mission capabilities of the surface ships, submarines and ASW aircraft make a side-by-side cost comparison infeasible.

[Deleted.] Only if all of the variables were known could a comparison of numbers of respective ASW platforms required for a given barrier be determined. Even then, a unit cost comparison is not meaningful because our general purpose ASW forces are purchased for many other roles besides the ASW barrier mission.

Senator **Humphrey**. Recite the Navy's justification for a reduced Captor inventory level based upon current and projected Soviet submarine shipbuilding levels and the threat each submarine type will pose to U.S. Naval forces through 1990.

Secretary **Weinberger**. The decision to offer termination of Captor as part of the presidents program to meet lower fiscal restraints was based primarily on affordability. Additional Captor procurement is the subject of DOD review for fiscal year 1986 and beyond based on possible new applications. This review will include consideration of opertional needs in view of projected warfare scenarios, as well as budgetary considerations.

Senator **Humphrey**. What is the Captor war reserve level? On what is this based?

Secretary **Weinberger**. The basic Captor inventory objective [deleted] is based on simultaneous deployment of Captors in priority fields worldwide. These fields are designed to use available Captor mines to maximum efficiency to control key open ocean Soviet/Warsaw Pact submarine transit routes. Thus, the entire inventory objective can be considered a "war reserve" in that each mine is designated for a particular field. The [deleted] figure does include [deleted] mines [deleted] scheduled for the maintenance "pipe line" and for re-seed. If all Captor fields were laid at one time, then the [deleted] remaining mines would be the only Captors without specific field designation. However, not all planned Captor fields will necessarily be laid at once, thereby increasing the number of mines that could be used at the discretion of the CINCS.

Senator **Humphrey**. How long would it take to restart the Captor line through the year 2000 if production ceases and at what cost?

Secretary **Weinberger**. Restart time and cost are dependent upon the length of time that the Captor line is dormant. Assuming that the line is shut down for a one-to-two-year period, then shut down costs would be approximately $5M (contractor lay-up) and restart costs would be about $12M. The time needed to restart the line would be 6 months-to-1 year.

QUESTIONS SUBMITTED BY SENATOR J. JAMES EXON, ANSWERS SUPPLIED BY CASPAR WEINBERGER, SECRETARY OF DEFENSE

CAPTOR MINE

Senator **Exon**. Mr. Secretary, from your testimony I understand that you are proposing to terminate production of the Navy's deep water Captor mine [deleted]. Does this mean that all the CINC's requirements can be met if mining is authorized?

Secretary Weinberger. The decision to offer termination of Captor as part of the presidents program to meet lower fiscal restraints was based primarily on affordability. Captor procurement subsequent to fiscal year 1985 is currently under review within DOD.

[Deleted.]

Senator Exon. Wouldn't completing the Navy's inventory objective free other ASW forces for other missions, whereas canceling production at one-half of the planned inventory will mean that more ASW aircraft and submarines will need to be tied up at forward barriers?

Secretary Weinberger. Completing the Captor inventory objective would free other ASW forces to a very limited degree. ASW assets could be required to lay the Captor fields initially. More importantly, the ideal barrier would consist of Captor mines, ASW aircraft, submarines and possibly surface ships with helicopters in synergistic roles. Analyses do indicate that a given level of barrier effectiveness can be achieved [deleted].

Senator Exon. The committee understands, Mr. Secretary, that Captor will undergo special testing in the near future to assess its ability and effectiveness in a new scenario of critical importance. Is it prudent for the Navy to cease production of a system before determining the probably new requirement for increased quantities of the system?

Secretary Weinberger. The usefulness of Captor [deleted] is currently the subject of analytical and experimental investigation within Navy. The decision to offer termination of Captor as part of the presidents program to meet lower fiscal restraints was a matter of affordability. Captor procurement after fiscal year 1985 is the subject of DOD review. Possible requirements for use of Captor [deleted] be included in subsequent year procurement considerations.

Senator Exon. My concern is that emerging requirements may require production of Captor beyond the current SecNav approved inventory objectives. Additional strategic and tactical minefield options for Captor are being examined by the CINC's, both defensive and offensive, which would dictate further increases to the existing nominal inventory objective. I feel that cancelling [deleted] production [deleted] for deepwater mines sends the wrong signal to the Soviet Union and produces a capabilities gap that will take many years to repair.

Secretary Weinberger. The decision to offer termination of Captor as part of the presidents program to meet lower fiscal restraints was based primarily on affordability. Captor procurement beyond fiscal year 1985 is under DOD review. It is true that additional uses of the Captor mine are being investigated. Impact of any additional Captor usage upon inventory requirements will be included in post fiscal year 1985 Captor procurement deliberations.

Senator Exon. Large numbers of Soviet attack submarines are being built, including newly identified MIKE and SIERRA classes. These submarines and their weapons systems would appear to be designed for open ocean encounters with our Carrier Battle Groups and interdiction of our Sea Lines of Communication.

Are we not reducing our overall ASW capability at a time when the Soviets are rapidly expanding their submarines force quantitatively and quantitatively?

Secretary Weinberger. We are most definitely not reducing our overall ASW capability. To the contrary, we are investing heavily in ASW improvements in our general purpose ASW forces which we believe are essential for success in war. For example, we are procuring significantly improved towed arrays, vastly improved helicopters and improved sensors and processors in ASW aircraft. Additionally, we are developing improved weapons and processors for all platforms. The decision to offer termination of Captor as a part of the President's program to meet fiscal restraints was based primarily on affordability. It is true that overall ASW effectiveness may be reduced with an inventory of [deleted] mines vice the full inventory objective of [deleted] Captor mines. In essence, the operational commander's options with respect to Captor employment will be reduced. When viewed in the context of the overall Navy budget, utility of the other [deleted] Captor mines, while certainly positive, was somewhat less dramatic than other competing ASW programs. The Captor decision was purely an affordability issue.

Senator Exon. Does terminating Captor now impact the effectiveness with which we can limit the range of action of these Soviet SSNs by erecting significant barriers at choke points? (such as the GI-UK gap)

Secretary Weinberger. The ideal barrier would consist of Captor mines, ASW aircraft, submarines and possibly surface ships with ASW helicopters in synergistic roles. Analyses do indicate that a given level of barrier effectiveness can be achieved [deleted]. In the final analysis, however, Captor is being terminated because of fiscal considerations.

[Deleted] as required by the scenario, the perceived threat and the environment. It is impossible to predict exactly how many additional forces (if any) would be required without knowing these factors and the number of Captor mines available at the time.

Senator **Exon**. Without Captor, what is the cost of providing other ASW assets (e.g., SSNs, VPs) to restore equal effectiveness to our ASW forces?

Secretary **Weinberger**. ASW is not just a problem of the effectiveness of one system versus another. Presenting an enemy with a multi-dimensional threat is just as important as buying more of a single weapon. Minefields, surface ships, submarines and ASW aircraft each become more effective when any or all of the others are present. Also, the effectiveness of each individual part varies with the location, environment, scenario, threat and desired probability of kill. This variable effectiveness plus the multi-mission capabilities of the surface ships, submarines and ASW aircraft make a side-by-side cost comparsion infeasible. [Deleted.] Only if all of the variables were known could a comparison of numbers of respective ASW platforms required for a given barrier be determined. Even then, a unit cost comparison is not meaningful because our general purpose ASW forces are puchased for many other roles besides the ASW barrier mission.

Senator **Exon**. Mr. Secretary, the committee understands that some Naval justification for reduced Captor inventories revolves around a single projected scenario for Soviet use of their SSNs. How can we maintain a reasonable War Reserve and still have Captor available for controlling the escalation of "brushfire" situations and in limited warfare scenarios?

Secretary **Weinberger**. Captor minefield distribution is currently under review based on the latest intelligence estimate of likely Soviet/Warsaw pact warfare scenarios. Considering its fundamental nature . . . that of a sophisticated, open ocean, deep water, barrier mine, use of Captor in brushfire, limited warfare scenarios is not particularly efficient or cost effective. This is not to say that Captor would not work in such situations. On the contrary, certain planned Captor fields (e.g. in the Mediterranean) could be potentially effective in limited war scenarios. The thrust of current Captor minefield planning, however, is based upon open ocean control of Warsaw Pact submarine transits and it is this primary use that dictates Captor inventory requirements.

Additional uses of Captor are under review within DOD and by the CINC's and will be integrated within on-going post fiscal year 1985 Captor procurement considerations.

SOVIET SSN SCENARIOS

Senator **Exon**. How do we respond if the Soviets select another or multiple scenarios which they are capable of pursuing?

Answer. No weapon is purchased for use in just one scenario. We are able to deploy Captor in different scenarios just as the Soviets might utilize their SSNs differently. Although our estimates of Soviet strategy indicate that their SSNs will be used to protect the SSBN force, if they choose to deploy them to the open oceans, our task of locating and neutralizing them becomes easier. Soviet access to overseas ports for re-arming and resupplying their submarines is extremely limited. They will be required to transit through geographic chokepoints into and out of their Soviet homeports increasing opportunities for us to detect and destroy them.

Senator **Exon**. How can we maintain a reasonable war reserve and still have Captor available for controlling the escalation of "brushfire" situations and in limited warfare scenarios?

Secretary **Weinberger**. Captor minefield distribution is currently under review [deleted]. Considering its fundamental nature . . . that of a sophisticated, open ocean, deep water, barrier mine, use of Captor in brushfire, limited warfare scenarios is not particularly efficient or cost effective. This is not to say that Captor would not work in such situations. On the contrary, certain planned Captor fields (e.g. in the Mediterranean) could be potentially effective in limited war scenarios. [Deleted.]

Additional uses of Captor are under review within DOD and by the CINC's and will be integrated within on-going post fiscal year 1985 Captor procurement considerations.

Questions Submitted by Senator Carl Levin, Answers Supplied by Caspar Weinberger, Secretary of Defense

READINESS PRIORITY

Senator **Levin**. Mr. Secretary, on page 8 of your statement you say "Improvements to the readiness and sustainability of our operating forces have been a top priority program in our revitalization efforts." How can you explain the contradiction between that statement and the following by your Assistant Secretary for Manpower, Installations, and Logistics, Dr. Korb: "Finally, we must recognize that all of our readiness-related programs are not fully funded despite our pronouncements about the high priority we accord to readiness in Defense resource allocation?" (February 17, 1984 Memo)

Answer. There is no contradiction; it is true that, within our overall objective of improving our combat capability to meet our commitments, force readiness and sustainability programs have been a top prioroty. It is also regrettably true, as Secretary Korb noted, that we have not been able to fund them completely. In fact, as has been indicated, the proposed reductions will delay reaching our readiness goals. Our objective, however, is to maintain a balanced program so as to achieve the maximum combat capability within available resources. Readiness and sustainability, while key components of capability, cannot be considered in isolation from the requirements to modernize both strategic and conventional forces. We have made significant advances incapability through improved readiness and sustainability as well as modernization.

DEPOT MAINTENANCE BACKLOG

Senator **Levin**. You claim on page 6 of your statement that because of these latest cutbacks: "Backlogs of maintenance and repair activities will now continue to plague us (if our original fiscal year 1984 and fiscal year 1985 figures had been kept, we would have eliminated entirely many of the backlogs) . . ." On page 8, you claimed that you had planned to eliminate depot maintenance backlogs in fiscal year 1985. Can you explain why these claims you were planning to eliminate backlogs in both fiscal year 1984 and fiscal year 1985 are contradicted by your own budget submissions for both fiscal year 1984 and fiscal year 1985, which showed you planned to have a $248 million financial backlog in depot maintenance in fiscal year 1984 before Congress even touched the fiscal year 1984 budget request and showed you planned to have a $502 million maintenance backlog in fiscal year 1985—most of which was financial?

Answer. The original fiscal year 1985 budget submission significantly reduced the depot maintenance backlog from fiscal year 1984 levels. Unfortunately however, some backlogs in depot maintenance will continue to persist through fiscal year 1985, and the proposed reductions compound this problem. These backlogs do not represent a departure from the Department's goal of fully funding depot maintenance requirements, but rather represent the impact of limited resources and the realities of the hard program choices that must be made within constrained resource levels.

READINESS FUNDING

Senator **Levin**. How can you explain the contradiction between your claims of both top priority to readiness and of intentions to eliminate depot maintenance backlogs with Assistant Secretary of Defense Korb's memo to you of Feb. 17, 1984, which stated your defense budget allocation priority-setting "does leave us with some underfunding of spares procurement in virtually every service, as well as some unfinanced maintenance backlogs that will remain at end-fiscal year 1985?"

Answer. Our commitment to maintenance and spares procurement is demonstrated by the fact that resources allocated to these areas have increased an average of 10 percent per year in real terms every year since fiscal year 1981. While some shortfalls continue to exist, as Assistant Secretary Korb correctly pointed out, we have succeeded in reversing the downward funding trends and have made significant recoveries in these critical readiness areas. We will continue to improve, but at the same time we must be cognizant of the fact that readiness is but one component of our force capability. Readiness improvements will continue to be balanced by our requirements for strategic and conventional forces modernization and sustainability.

REAL GROWTH

Senator **Levin**. Mr. Secretary, you claim that you balanced these cuts across all the services, activities and spending categories to prevent any vital links in our defense capabilities from being injured. That concept of balance is only valid if all the services needs, activities, and capabilities were of equal merit to begin with, which clearly they are not based on past history and present Reagan defense budget priorities.

Is it not true that in the past 15 years, between fiscal year 1970 and fiscal year 1984, the Army received the lowest real growth of each of the services many more times than the Air Force or Navy—almost three times more often than the Navy and twice as often as the Air Force—Army-8; Navy—3; Air Force—4). In 13 of the last 15 years, the Army received the lowest or second lowest real growth rate each year?

Answer. The growth rate observations that you have made are correct. For the years fiscal year 1971 through fiscal year 1984, the average real growth for the Army was minus 0.1 percent. Average real growth for the Navy and Air Force was 2.0 percent and 1.9 percent, respectively. The decade of the 1970s was a period of low growth for all defense components, averaging minus 2.6 percent.

GROWTH RATES

Senator **Levin**. Is it not true that the fiscal year 1985 budget continued this trend by allocating the lowest real growth to the Army again: 10.2 percent to the Navy's 12.7 percent and the Air Force's 15.5 percent?

Answer. The growth rates by component in the fiscal year 1985 request are as indicated. These are aggregate growth rates for the Military Departments. There are wide variations in the growth rates at the account level. The resources are allocated to best match military requirements and not by any fixed percent distribution.

Senator **Levin**. Is it not true that since the Reagan administration took office and added to the defense budget, the Army still has received the lowest priority when it came to handing out additional resources?

Is it not true that in procurement, the Navy received the largest amount of funding each year and the largest increase over the period?

Is it not true that in R&D, the Air Force received the largest funds each year and the largest increases over the period?

Answer. The average growth in the Army for the years fiscal year 1981-84 was 8.6 percent, slightly higher than the Navy's 8.0 percent. Of the total defense resources, the allocation between Services has not shown much fluctuation.

The programs that had suffered the most neglect were programs for which the Navy and the Air Force are predominantly responsible. The Navy's deployable battle forces were spread much too thin and many of the strategic modernization programs come under the purview of the Air Force.

BUDGET CUTS

Senator **Levin**. Do these budget cuts still leave the Army with the lowest real growth among the services in fiscal year 1985? After these cuts, what is the real growth for each service projected for fiscal year 1985?

Answer. The budget cuts are broad-based by budget activity and spread equitably among the services. The relative shares of the total budget are generally maintained after the reductions. Of the three Military Departments, the Army receives about 27 percent of the budget and the Navy and Air Force receive 35 and 38 percent, respectively.

Senator **Levin**. General Vessey, as an Army green suiter originally, I am sure you are painfully aware of how poorly the Army has fared in the defense budget game of the past. Are you concerned that the Army has been underfunded in the past? Would you not agree that it has received the least resource growth of all the services in the past? Would you agree that its needs, relative to the threat, probably are greatest, since during the 1970s when it could not modernize sufficiently, the Navy and Air Force were able to continue modernizing at a more rapid pace with newer ships and aircraft? Don't these budget cuts make the situation even worse for the Army, especially in the procurement area?

Answer. Since the 1970's, we have continually faced the problem of not being able to fund all requirements necessary to meet the growing threat and ensure the security of our Nation. The Joint Chiefs of Staff have worked hard to ensure that this budget is balanced between strategic and conventional forces and between the Services to meet the threat with a reasonable assurance of success.

ARMY EQUIPMENT SHORTAGES

Senator Lewis. Mr. Secretary, do you agree with the following statements?

"The Army's most serious problem—and a longstanding one—is its serious shortage of equipment. The Army has not had adequate total resource levels over the past several years to procure the quantities of equipment that it needs to fill its force structure, and to do all the other things it needs to do.

"Army equipment shortages are serious and will not get fixed very quickly with the level of funding now projected to be available for Army equipment procurement."

These statements from your Assistant SecDef for Manpower Installations and Logistics, Dr. Larry Korb, were made in a memorandum to you in February 17, 1984. If you disagree, why?

Don't these budget cuts make matters even worse for the Army?

Answer. First, here is the entire paragraph from which you quoted.

Army.—The Army's most serious problem—and a longstanding one—is its serious shortage of equipment. The Army has not had adequate total resource levels over the past several years to procure the quantities of equipment that it needs to fill its force structure, and to do all of the other things it needs to do. This problem will be, of course, exacerbated by such shortsighted congressional actions as the $1 billion reduction made in Army equipment procurement in the fiscal year 1984 budget on the Hill. As to the condition of the equipment that it does have: The Army sets very demanding goals for equipment mission capable (MC) rates; it projects flat or slightly improving MC rates in most weapon system and equipment categories, and most weapon system categories will attain or stay above the MC goals; others will stay flat or improve slightly but not enough to attain these very demanding goals during the next 3 years.

The Army took their reductions in procurement of equipment by and large in modernization items. Of the $1,462.7 million cut in procurement only $157.4 million is in what we categorize as readiness-related items. Of the fiscal year 1984 congressional cuts of over $1 billion referenced above, about $600 million was in readiness/related items. Thus, the indications are that DOD is showing considerably more concern for protecting Army readiness than is the Congress.

The $157.4 million includes $74.4 million for deployable medical systems and medical combat support equipment. The Army maintained that the large funding increment in medical equipment previously proposed for fiscal year 1984 could not be sustained because of producibility constraints. The other reductions included will have a minor impact on readiness. Given that the Army had to offer $2733.4 million in reduction, we believe that the relatively small fraction (5.8%) taken in readiness-related equipment procurement indicates a recognition of the importance of the Army equipment shortfall problems.

Senator Levin. When he appeared before the Preparedness Subcommittee, Dr. Korb paid special attention to Army equipment shortages in discussing Army readiness. I asked him: "Would you suggest that Army equipment suffer least in any round of upcoming cuts?"

He answered: "Army equipment is our first readiness priority. It should not suffer any cuts (emphasis added)."

Why have you done exactly the opposite from what your chief readiness official has said is your top priority in readiness? Why have you only exacerbated a problem he warned you about in a memo earlier this year, which existed at even higher budget levels?

Answer. While we were not able to prevent some cuts being made that impact on Army equipment shortages, we believe that this area "suffered the least." There is simply no way to cut $14 billion from the budget without impacting numerous crucial areas. Army equipment is no exeception.

REDUCED OR CANCELED PROGRAMS

Senator Levin. Even in applying these cuts, Mr. Secretary, a close examination reveals these cuts are not balanced. For example, in your program reductions, stretchout and cancellation lists you have significantly cut six major Army modernization programs—the same Army which has been so underfunded in the past—while you have cut only marginally Navy programs and Air Force programs. Those Navy and Air Force programs you cut include programs almost completed, so you only are cutting off a small number of items, like the Mark 48 Torpedo program and the Captor Mine program for the Navy; programs which the Service did not want to begin with, like the C-19 airlift program for the Air Force and a program which is not needed since existing aircraft can satisfy the requirement according to your own words—the UC-12 program for the Navy.

You have cut some fighter aircraft buys in the future, by reducing advance procurement projections, not actual hardware this year—for the Air Force and the Navy.

Yet the Army has its front line equipment budgets slashed. How can you claim these cuts are balanced.

ANSWER. The program reduced or canceled were not imposed on the Military Departments and Defense Agencies by the Office of the Secretary of Defense. The revisions were developed through an internal DOD budget review committee, chaired by the Deputy Secretary of Defense. The proposals to meet the budget reductions were submitted by the Military Departments. The adjustments in the Army procurement program maintain production sources at economic production rates and provide continued moderization in the Army.

M-1 TANK PRODUCTION RATE

Senator LEVIN. Isn't it true that, contrary to these words, the Reagan administration actions have been to decelerate the tank program several times, even though it has been the Army's Number 1 procurement priority? Isn't it true that twice before, this administration said it would build 840 M-1 tanks in fiscal year 1984 and beyond—in submitting the fiscal year 1982 and fiscal year 1983 budgets—but that it reneged on this commitment in submitting its budgets last year and this year and actually fought congressional attempts to add tanks?

ANSWER. At the time of the submission of the fiscal year 1982 and fiscal year 1983 budgets, it had been the desire of the administration to accelerate M-1 tank production to a higher rate than the 60-tank-per-month rate which is currently planned. Subsequent to the submission of the fiscal year 1983 President's budget, it became evident that the higher rates planned for the outyears would not be affordable and the plan was altered to cap the rate at a stable rate of 60 tanks per month for all future years. This was done in order to stabilize the workload and employment at the Warren, Michigan and Lima, Ohio assembly plants as well as the numerous other vendor and subvendor locations. The revision proposed for the fiscal year 1985 budget reflects this stability. The 840 tanks funded in fiscal year 1984 will be produced over a 14-month period and the 600 tanks requested for fiscal year 1985 will be produced over 10 months, yielding an average production rate of 60 tanks per month across the 2 years.

MAJOR SYSTEMS NEW STARTS

Senator LEVIN. Mr. Secretary, your Under Secretary of Defense for Research and Engineering, Dr. DeLauer, testified to the Senate Defense Appropriations Committee that he could accept "no new starts" in major R&D programs in fiscal year 1985. He listed three: the DDG-51 cruiser, the SSNX New Attack Submarine and the C-17 strategic transport aircraft. The DDG-51 and the C-17 represent major expenditures now and in the near future. If Dr. DeLauer is willing to defer them for at least a year, why shouldn't Congress?

ANSWER. I do not believe you interpreted Dr. DeLauer's statement correctly in response to your question "What would happen if we put you on the basis of no new starts in R&D?" Dr. DeLauer did not say he could accept no new starts in major R&D programs in fiscal year 1985 or that he is willing to defer items for at least a year. Rather, Dr. DeLauer offered that it would be easier to handle no new starts than to cut any single element in the R&D program. Further, he stated: "I think there are only five major programs for new starts. I think we would be able to handle them better than we could a program that is well on its way and we are in the process of finishing up the development and getting into production."

In response to your current question as to whether Congress should defer these programs for at least a year, it would not be prudent to defer the R&D programs for the three systems mentioned—the DDG-51 Guided Missile Destroyer, SSNX Attack Submarine and C-17 transport aircraft. The leadtime for the development and acquisition of the first ship or aircraft of a new type or class takes approximately 7 to 10 years. These systems are required as replacements for older classes of destroyers, submarines and aircraft that will reach the end of their useful lives in the early to mid 1990s. It is costly to maintain these older major weapon systems in order to keep them operational, and, even if well maintained, are still obsolete as far as components and sub-systems are concerned and the ability to counter a more modern threat. To update or modernize the older systems would be even more costly and the years of useful life left in each of these systems would be relatively short. Therefore, when all facts are considered, I do not believe it would be wise to defer the R&D program for the above three weapon systems or the planned acquisition of the DDG-51 in fiscal year 1985.

FISCAL YEAR 1985 BUDGET ADJUSTMENTS

Senator **Levin**. Finally, Mr. Secretary, you have cut flying hours, training ammunition and other important O&M accounts. Just recently, NATO Commander, Gen. Bernard Rogers testified to the House Armed Services Committee:

"My plea is don't cut operation and maintenance. You're cutting training days, flying hours, steaming hours."

Why have you ignored the advice of the top military officer in NATO and our own Commander in Chief in Europe?

Answer. The proposed O&M budget adjustment reflects a considerable effort to minimize the impact on readiness related programs. Approximately 49% or $1.2 billion of the total $2.5 billion reduction in the O&M accounts has no program impact. This part of the adjustment reflects a decline in stock fund fuel prices, a reduction in appropriated fund accounts due to a discrepancy in prices between the stock fund and certain appropriations, and further improvement in the exchange rates between the dollar and foreign currencies. We have tried to minimize the impact on depot maintenance programs. The $433.4 million reduction in this area includes $320.4 million for the overhaul of 2 ships which were scheduled for June 1985. This action defers their overhaul to the first quarter of fiscal year 1986. The other adjustments included in the package provide for a slower rate of growth and will be effected so as to minimize their impact on operational units.

Questions Submitted by Senator Carl Levin, Answers Supplied by Gen. John W. Vessey, Jr., Chairman, Joint Chiefs of Staff

Senator **Levin**. Is the M-1 tank still a top Army procurement priority, General Vessey?

General **Vessey**. Yes, The M-1 tank remains a top Army procurement priority.

Senator **Levin**. General Vessey, has the huge disparity in tanks between the U.S./NATO and USSR/WP improved significantly, or is it still about 54,000 to about 17,000 in favor of the USSR/Warsaw Pact?

General **Vessey**. The numerical disparity between USSR/WP and U.S./NATO tanks remains about the same; however, technological advancements reduce the impact of the USSR/Warsaw Pact numerical advantage.

Senator **Levin**. General, is it not true that the M-1 has met its most important performance specifications—including powertrain durability—and there are no performance limitations which would support a cutback in annual M-1 production?

General **Vessey**. Yes, the M-1 has met its most important performance specifications with the exception of track durability.

Senator **Levin**. General Vessey, the original completion date for the M-1 tank program was 1987. This date has slipped significantly. Is it not true that this decision to cut the M-1 program will delay program completion even further into the 1990's, thus even further delaying full achievement of the military combat readiness improvements embodied in the M-1 program?

General **Vessey**. The decision to reduce procurement in fiscal year 1985 will have minimal impact (two months) on the fiscal year 1990 program completion date.

Senator **Levin**. General Vessey, would you agree with the following statements made in the memorandum to the Secretary of Defense by Assistant Secretary of Defense, Larry Korb? "The Army's most serious problem—and a longstanding one—is its serious shortage of equipment. The Army has not had adequate total resource levels over the past several years to procure the quantities of equipment that it needs to fill its force structure, and to do all the other things it needs to do. Army equipment shortages are serious and will not get fixed very quickly with the level of funding now projected to be available for Army equipment procurement."

General **Vessey**. The Joint Chiefs of Staff have continually supported efforts to reduce the Army's equipment shortages consistent with the need to ensure a balanced program. Many elements contribute to combat effectiveness and the challenge for the Army is not equipment alone, rather equipping and modernizing. The two are inseparable.

Senator **Tower**. The committee will now proceed to other business.

[Whereupon, at 12:25 p.m., the committee proceeded to other business.]

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